

The National Child Benefit



Progress Report 2007





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May 2010

This document is also available on the NCB Web site at:
www.nationalchildbenefit.ca

Paper:

Catalogue number: HS1-3/2007E

ISBN: 978-1-100-12671-5

PDF:

Catalogue number: HS1-3/2007E-PDF

ISBN: 978-1-100-12672-2

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Message from Federal/Provincial/ Territorial Ministers Responsible for Social Services

Canada's Federal, Provincial and Territorial Ministers Responsible for Social Services¹ are committed to reporting to Canadians on the progress of the National Child Benefit (NCB) initiative. This report, *The National Child Benefit Progress Report: 2007*, is the ninth in a series of progress reports provided by Ministers since the joint NCB initiative was launched in 1998.

Ensuring that children have a good start in life is crucial, and governments recognize that child poverty has long-term consequences for children and society. The NCB is based on the principle that families are better off when parents are supported in their efforts to participate in the labour market. This is the most effective long-term approach to reducing low income among families. The NCB is supporting parents and children by providing a secure national platform of child benefits and improving the services and supports provided to low-income families with children.

The 2007 report provides updated information on the activities of Canada's federal, provincial and territorial governments and First Nations to improve the well-being of children in low-income families.

Specifically, it provides detailed information on the contributions of the Government of Canada through the Canada Child Tax Benefit including the NCB Supplement, along with information on the contributions of provincial and territorial governments and First Nations through the programs and services they provide under the NCB initiative. The report also provides an update on the progress the NCB is making in improving the economic well-being of low-income families with children. The report was prepared by a joint working group of officials representing federal, provincial and territorial governments.

Ministers Responsible for Social Services in Canada remain committed to improving the economic well-being of low-income families with children. We will continue to work together to meet the needs of Canadian children and families and report regularly on progress.

**Federal, Provincial, and Territorial Ministers
Responsible for Social Services**

¹ The Government of Quebec has stated that it agrees with the basic principles of the NCB. Quebec chose not to participate in the NCB because it wanted to assume control over income support for children in Quebec; however, it has adopted a similar approach to the NCB. Throughout this report, references to joint federal/provincial/territorial positions do not include Quebec.

Executive Summary

The National Child Benefit (NCB) is a joint initiative of Canada's federal, provincial and territorial governments,² which includes a First Nations component. The NCB initiative combines two key elements: federal monthly payments to low-income families with children; and benefits and services designed and delivered by the provinces, territories and First Nations to meet the needs of low-income families with children in each jurisdiction.

The NCB initiative has three goals:

- to help prevent and reduce the depth of child poverty;
- to promote attachment to the labour market by ensuring that families will always be better off as a result of working; and,
- to reduce overlap and duplication by harmonizing program objectives and benefits, and through simplified administration.

This ninth report to Canadians on the NCB is a key element of the *National Child Benefit Governance and Accountability Framework*, as it fulfils the commitment of Federal, Provincial and Territorial Ministers Responsible for Social Services to report annually to Canadians on progress made under this initiative.

Chapter 1 provides information about federal support for low-income families with children. The Government of Canada provides benefits directly to low-income families with children through the NCB Supplement. For the program year that ended June 2007, the Government of Canada provided \$3.5 billion through the NCB Supplement to 1.5 million families with 2.8 million children.

Chapter 2 provides information about programs and services for low-income families with children provided by provinces, territories and First Nations as a result of the NCB initiative. Provinces and territories have the flexibility to adjust social assistance or child benefit payments by an amount equivalent to the NCB Supplement and to reinvest savings in benefits and services for low-income families with children.

Total reinvestments and investments in programs and services for children and their families through the NCB initiative³ are estimated to be \$833.6 million for 2006–2007, and \$836 million for 2007–2008. Provinces and territories reinvested and invested an estimated \$778.9 million in 2006–2007, and \$778.7 million in 2007–2008. Citizenship and Immigration Canada reinvested

² The Government of Quebec has stated that it agrees with the basic principles of the NCB. Quebec chose not to participate in the NCB because it wanted to assume control over income support for children in Quebec; however, it has adopted a similar approach to the NCB. Throughout this report, references to joint federal/provincial/territorial positions do not include Quebec.

³ This includes reinvestments and investments by provinces, territories, Citizenship and Immigration Canada and Indian and Northern Affairs Canada.

an estimated \$2.1 million in 2006–2007, and \$2.4 million in 2007–2008.

Chapter 3 describes the First Nations National Child Benefit Reinvestment Initiative, through which the Government of Canada and First Nation governments are cooperatively addressing the needs of low-income families with children on reserve. First Nations investments and reinvestments in programs and services are estimated to be \$52.7 million in 2006–2007, and \$54.8 million in 2007–2008.

Chapter 4 contains information about societal level indicators related to the NCB, such as the incidence, depth and duration of low income among families with children. Using Statistics Canada’s post-tax Low Income Cut Offs (LICOs), the report shows that the percentage of families with children living in low income has declined significantly from a peak of 17.6 percent in 1996. In 2005, the incidence of low income among families with children fell slightly

to 10.5 percent from 11.6 percent in 2004. A similar decline is seen using the Market Basket Measure (MBM), from 14.8 percent in 2004 to 13.5 percent in 2005.

Finally, Chapter 5 contains an analysis of the direct impact of the NCB in preventing and reducing low income among families with children. Using the MBM, it is estimated that, in 2005, as a direct result of the NCB, 171,100 children in 78,800 families were prevented from living in low income, a 13.7 percent reduction. These families saw their average disposable income increase by an estimated \$2,400, or 9.5 percent. The analysis also estimates that the low-income gap (the depth of low income for all families with children) was reduced by \$1 billion, or 20.4 percent.

All NCB partners remain committed to working toward improving the situation of families with children in Canada, and informing Canadians about progress made.

The National Child Benefit Supplement



The National Child Benefit (NCB) is a joint initiative of federal, provincial and territorial governments to support Canadian children living in low-income families. The NCB initiative has three goals:

- to help prevent and reduce the depth of child poverty;
- to promote attachment to the labour market by ensuring that families will always be better off as a result of working; and,
- to reduce overlap and duplication by harmonizing program objectives and benefits, and through simplified administration.

The initiative recognizes that both income support and a range of benefits and services are critical to sustained success in reducing low income.

How the NCB Works

Before the NCB was introduced in 1998, there was minimal coordination between the federal system, which delivered child benefits through the income tax system, and provincial/territorial systems, which delivered child benefits through social assistance programs. The NCB initiative integrates federal, provincial and territorial systems of income support for children into a national platform of child benefits available to families on social assistance and low-income working families.

Before the NCB initiative, child benefits embedded in social assistance payments to parents were “needs-tested,” and their value increased with family size. By contrast, the income of a low-wage working family did not increase with family size. Families on social assistance who found paid work often saw their overall disposable income increase only slightly, and in some cases even saw a decline. Further, some families lost access to benefits and services available to people receiving social assistance such as extended drug, dental and optical benefits. Working families leaving social assistance also needed to pay taxes and employment-related costs out of their typically low wages.

This interaction between the labour market and government programs is commonly known as the “welfare wall”—a set of disincentives to labour force participation. The NCB is intended to help lower this welfare wall to ensure that families leaving social assistance are better off as a result of working. It is designed to support parents leaving social assistance for work, and to help low-income parents already in the labour market to stay there by reducing the role of social assistance in providing children’s basic income support.

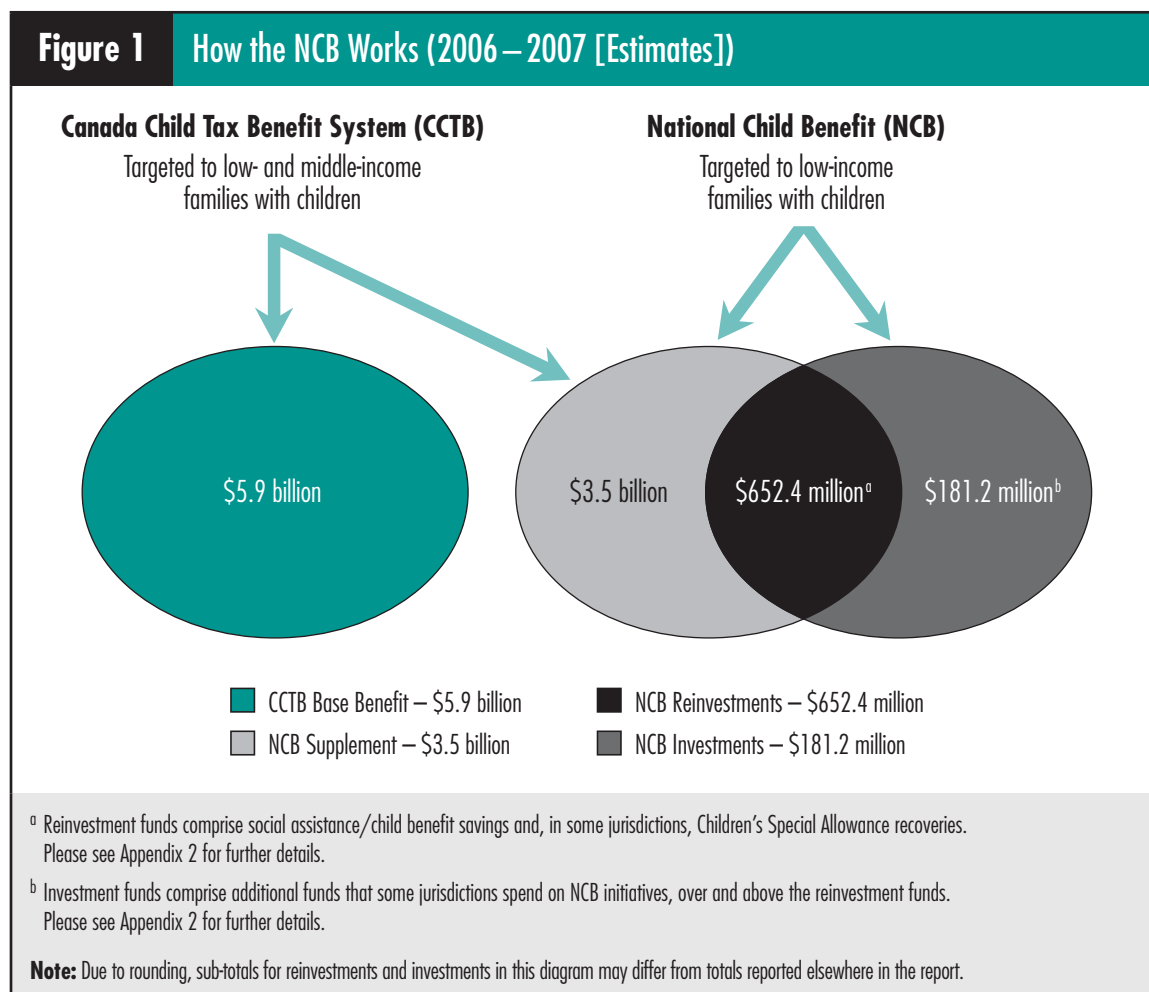
Through the NCB initiative, federal, provincial and territorial systems of income support for children have been integrated to build a national platform of income-tested child benefits available to both social

assistance families and low-income working families. The NCB initiative combines two key elements: federal monthly payments to low-income families with children, and benefits and services designed and delivered by the provinces, territories and First Nations to meet the needs of low-income families with children in each jurisdiction.

The Government of Canada provides monthly payments to low-income families with children through the NCB Supplement to the Canada Child Tax Benefit (CCTB) paid on a monthly basis. The NCB Supplement has increased incrementally since the inception of the initiative. Most provincial and territorial governments concurrently

reduced the child portion of social assistance benefits by the full or partial amount of the NCB Supplement without impacting families' overall income. Over time, the effect has been to displace an increasing proportion of child-related basic income support provided through social assistance.

Provinces and territories have the flexibility to adjust social assistance or child benefit payments by an amount equivalent to the NCB Supplement. Provinces, territories and First Nations reinvest these social assistance savings and invest additional funds in benefits and services for low-income families with children. These



reinvestments and investments are discussed in detail in Chapter 2. Since the inception of the NCB initiative, three distinct approaches have evolved by which provinces and territories replace social assistance benefits for children with the NCB Supplement. These approaches are also described in Chapter 2.

The Government of Canada's Contribution to the NCB Initiative

Since July 1998, the Government of Canada has provided direct financial assistance to families with children through

The History of Federal Child Benefits in Canada

1918 – Child Tax Exemption: This exemption provided income tax savings that increased as taxable income increased. It did not provide benefits to families that did not have a tax liability.

1945 – Family Allowance: This benefit was provided to all Canadian families with dependent children.

1973 – The **Family Allowance** benefits were tripled, indexed to the cost of living, and made taxable.

1978 – Refundable Child Tax Credit: This targeted and income-tested child benefit, which was delivered through the tax system, provided a maximum benefit to low-income families, a declining amount to middle-income families, and no benefit to upper-income families.

1993 – Child Tax Benefit (CTB): This benefit consolidated refundable and non-refundable child tax credits and the Family Allowance into a monthly payment based on the number of children and level of family income. It also included the Working Income Supplement (WIS), which provided an additional benefit to low-income working families with children. In 1993, federal expenditures on child benefits, including WIS, totalled \$5.1 billion.

1998 – The CTB was replaced by the **Canada Child Tax Benefit (CCTB)**. The **National Child Benefit (NCB) Supplement** replaced the WIS, and is provided to all low-income families as part of the new CCTB.

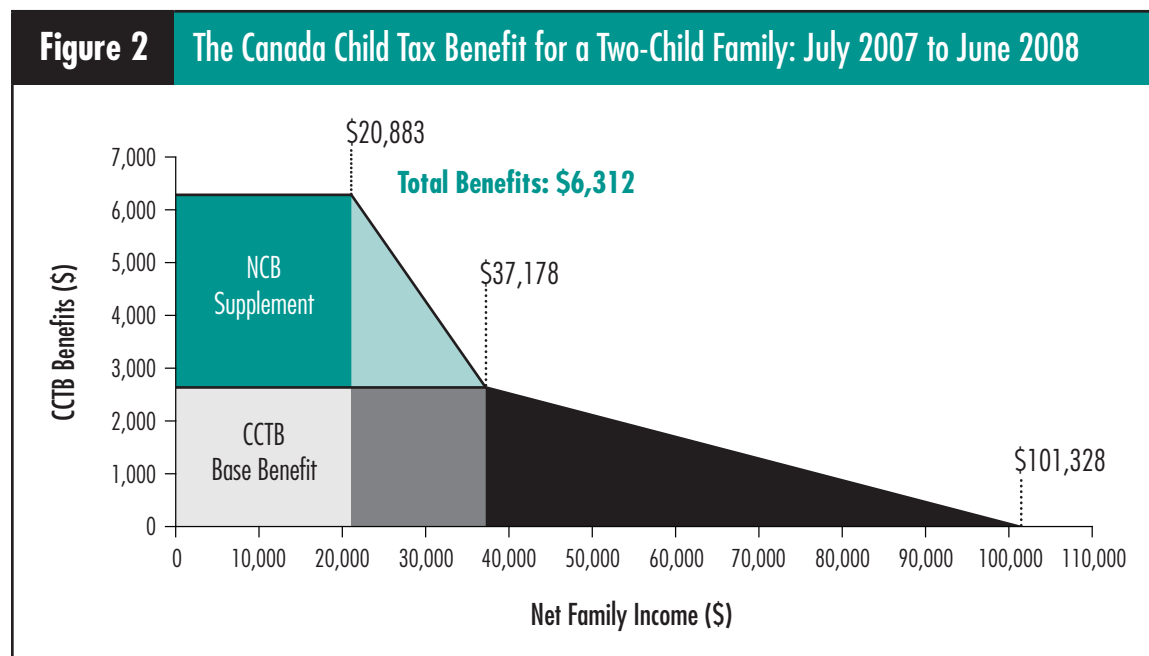
2006 – The Government of Canada introduced the **Universal Child Care Benefit (UCCB)**. All families, including low-income families, are receiving \$100 a month for each child under the age of six, taxable in the hands of the lower-income spouse.

2007 – Budget 2007 announced a new **Child Tax Credit** which provides additional tax relief for families with children. For 2008, this tax credit provides up to \$306 in tax savings for each child under the age of 18.

the CCTB. The CCTB is designed to help families with the costs of raising children and takes the form of a non-taxable monthly payment for families with children, based on a family's net income and the number of children within the family.

The CCTB system is made up of two components: the **CCTB base benefit**, which is paid to low- and middle-income families with children; and the **NCB Supplement**, which is an additional benefit paid to low-income families with children. The NCB Supplement to the CCTB base benefit represents the Government of Canada's contribution to the NCB initiative. Eligible Canadian families with children receive the CCTB base benefit and the NCB Supplement through a single monthly payment. Between July 2006 and June 2007, approximately 3.4 million families with 6.0 million children received the base benefit of the CCTB. Between July 2006 and June 2007, 1.5 million families with 2.8 million children received the NCB Supplement.

Families' eligibility for CCTB and NCB child benefits is determined by family income. Figure 2 illustrates the CCTB structure for families with two children as of July 2007. During the 2007–2008 benefit year (from July 2007 to June 2008), two-child families with net incomes less than \$20,883 received the maximum benefit level of \$6,312. All families in receipt of the NCB Supplement receive the maximum level of the base benefit of the CCTB. Families with net incomes above \$20,883 but below \$37,178 continue to receive the maximum level of the base benefit of the CCTB, but the level of NCB Supplement to which they are entitled decreases as family income increases. Finally, those families with net incomes above \$37,178 receive only the base benefit of the CCTB. The level of this benefit also decreases as family income increases, and is fully phased out at \$101,328.

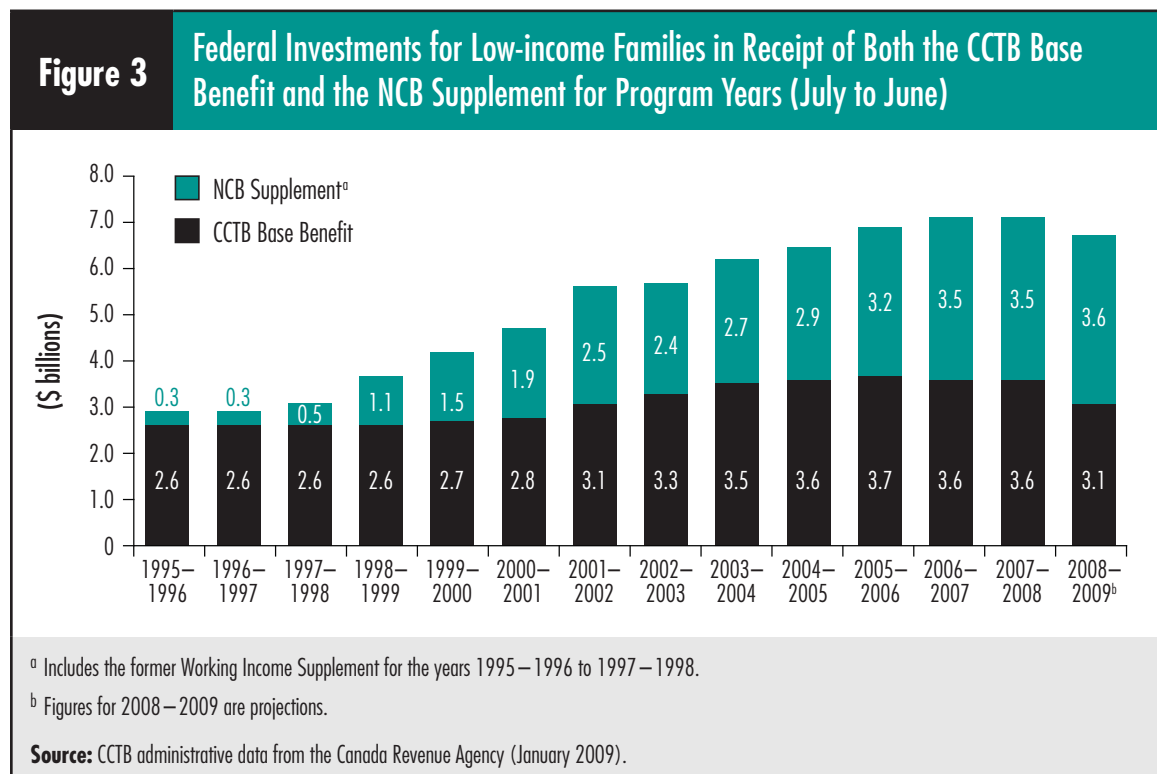


Increased Federal Financial Assistance for Families with Children

The Government of Canada has significantly increased its investments in supporting low-income families with children since the implementation of the NCB initiative. Figure 3 shows the increase in the value of annual federal expenditures on low-income families with children through the CCTB system from 1995–1996 to 2008–2009.

Prior to the NCB, federal spending through the former Working Income Supplement (WIS) was \$300 million in 1995–1996. As its initial contribution to the NCB initiative, which replaced the

WIS, the Government of Canada committed \$850 million to the NCB Supplement, in addition to the \$5.1 billion per year that had been provided under the former Child Tax Benefit. Additional investments in the program were announced in subsequent years, including the restoration of full indexation of benefit levels in 2000 to ensure that benefit increases are not eroded by inflation. Federal investment in the NCB Supplement has increased steadily and is projected to reach \$3.6 billion in 2008–2009. In addition, federal investment provided to low-income families with children through the base benefit of the CCTB has increased over this period. In 2008–2009, 3.1 billion is projected to be provided to NCB Supplement recipients through the CCTB base benefit, compared to \$2.6 billion in 1995–1996.⁴



⁴ Figure 3 does not show federal expenditures on the base benefit of the CCTB for middle-income families who do not receive the NCB Supplement. In 2006–2007, the Government of Canada invested \$2.3 billion in the base benefit of the CCTB paid to 1.8 million families with 3.3 million children that had an income above the threshold at which the NCB Supplement is reduced to zero. Taking total expenditures on the base benefit of the CCTB and the NCB Supplement together, the Government of Canada’s support to Canadian families with children reached a total of \$9.4 billion in 2006–2007, and is estimated to remain at \$9.4 billion in 2008–2009.

Canadian families with children have benefited significantly from increases to the base benefit of the CCTB and the NCB Supplement. As Figure 4 shows, prior to July 1997, the maximum benefit for a family with two children was \$2,540. In July 1997, when the WIS was enhanced and restructured, prior to the launch of the NCB, the maximum benefit for a two-child family was \$3,050. In 2003, the Government of Canada announced a five year investment plan. Most recently, the NCB Supplement increased incrementally by \$185 per child annually in July 2006. Annual cost of living increases to the NCB Supplement have continued.

As of July 2008, low-income families with children (whose family net income is equal to or below \$21,287) receive maximum annual CCTB benefits (base benefit of the CCTB and NCB Supplement) of \$3,332 for the first child and \$3,099 for the second child, bringing the amount of total federal child benefits for a family with two children to \$6,431, or more than double that of the pre-NCB 1996–1997 levels (see Table 1). An additional \$91 per year for third and subsequent children brings total maximum benefits to \$3,102.

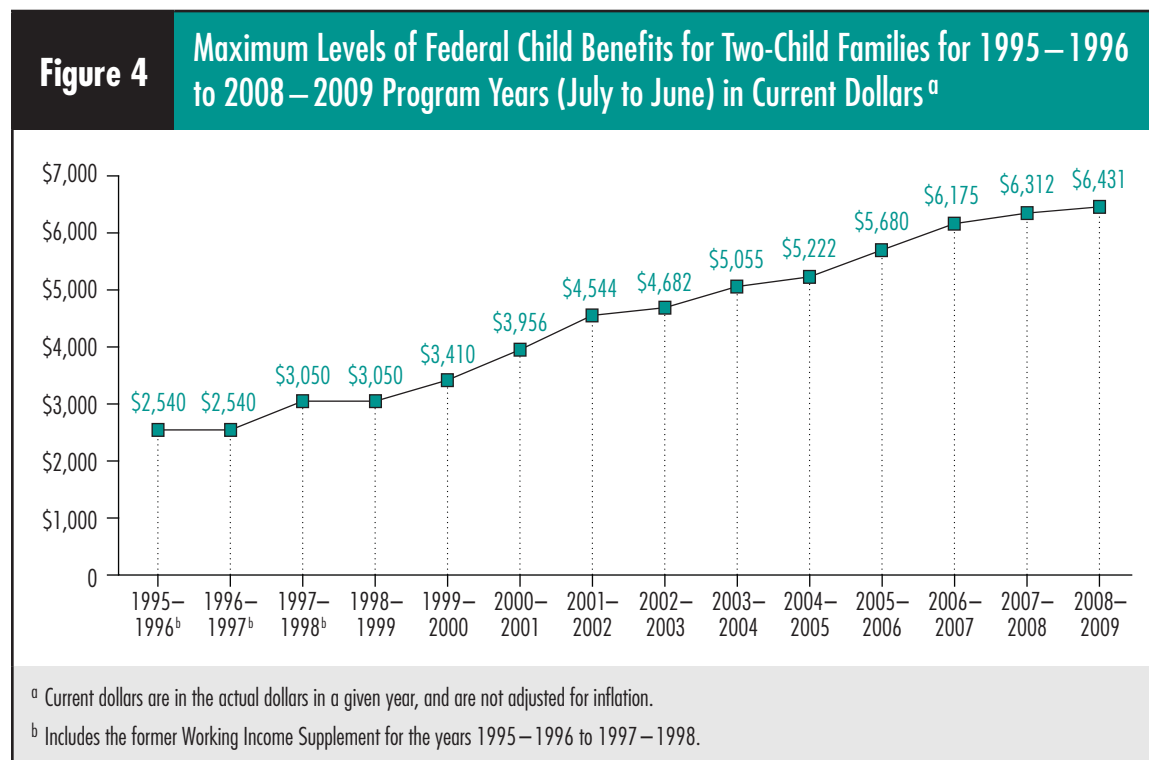


Table 1**Maximum Levels of Federal Child Benefits for 1996–1997
and 2008–2009 Program Years (July to June) in Current Dollars^a**

Number of Children	1996–1997 Maximum CTB + WIS	2008–2009 Maximum Base Benefit + NCB Supplement	Percentage Increase from 1996–1997 to 2008–2009
1	\$1,520	\$3,332	119%
2	\$2,540	\$6,431	153%
3	\$3,635	\$9,533	162%
4	\$4,730	\$12,635	167%

^a Current dollars are in the actual dollars in a given year, and are not adjusted for inflation.

An on-line CCTB calculator to determine the amount of benefits families are entitled to is provided by the Canada Revenue Agency at:

www.cra-arc.gc.ca/bnfts/clcltr/menu-eng.html

Federal Investment in the NCB Supplement by Province and Territory

Table 2 shows the breakdown of federal expenditures on the NCB Supplement and the number of children who benefited by

province and territory for 2005–2006 and 2006–2007. As shown in Table 2, federal expenditures on the NCB Supplement have increased from \$3.2 billion in 2005–2006 to \$3.5 billion in 2006–2007. Federal expenditure increases reflect the five-year investment plan put in place by the 2003 Budget.

Table 2

Number of Children in Receipt of the NCB Supplement and Federal NCB Supplement Expenditures by Jurisdiction for 2005–2006 and 2006–2007 Program Years (July to June) in Current Dollars^a

Jurisdiction	July 2005 – June 2006		July 2006 – June 2007	
	Children Receiving NCB Supplement (thousands)	Benefits paid (\$ millions)	Children Receiving NCB Supplement (thousands)	Benefits paid (\$ millions)
Newfoundland and Labrador	47.8	57.1	46.0	58.0
Prince Edward Island	12.9	14.3	12.7	15.5
Nova Scotia	86.7	104.0	83.9	111.9
New Brunswick	69.3	82.2	67.6	88.5
Quebec	635.8	730.0	641.6	813.5
Ontario	1,004.1	1,145.6	1,003.1	1,269.5
Manitoba	139.8	165.8	140.2	185.5
Saskatchewan	124.5	150.1	122.6	164.1
Alberta	284.5	317.8	282.6	348.2
British Columbia	356.9	409.5	347.4	436.6
Yukon	2.5	2.7	2.4	2.9
Northwest Territories	4.3	4.8	4.2	5.3
Nunavut	6.4	7.4	6.5	8.1
Total	2,777.5^b	3,192.9^c	2,763.5^b	3,512.2^c

^a Current dollars are in the actual dollars in a given year and are not adjusted for inflation.

^b Includes Canadians living outside of Canada.

^c Totals may not add due to rounding.

Source: CCTB administrative data from the Canada Revenue Agency.

National Child Benefit Programs and Services for Low-Income Families with Children



The National Child Benefit (NCB) initiative includes federal as well as provincial, territorial and First Nations components.⁵ The federal component, described in Chapter 1, provides benefits to low-income families with children through the NCB Supplement.

Increasing federal investment in the NCB Supplement has made it possible for provincial and territorial governments to adjust the income support to families with children on social assistance without impacting the overall disposable income of these families. Recovering social assistance/child benefit payments produces savings that provinces, territories and First Nations then reinvest to enhance existing programs or implement new programs or services aimed at reducing child poverty and supporting low-income families with children.

Reinvestment funds come from social assistance/child benefit savings and, in some jurisdictions, Children's Special Allowance (CSA) recoveries (see Appendix 2 for further details). In addition to reinvestments, many jurisdictions make additional **investments** in benefits and services that are consistent with the goals of the NCB initiative (see Appendix 2 for further details).

Reinvestments and investments in programs and services benefit children in low-income families whether their parents are employed or receiving social assistance. These supports, combined with the NCB Supplement, help reduce the "welfare wall" and aim to make it easier for families with children to become self-sufficient.

This chapter describes the differing approaches to reinvestment used by provinces and territories. It also describes the program areas in which provinces and territories reinvest funds made available through the NCB to provide supports for low-income families. First Nations follow the approach to replacing social assistance benefits for children used in the relevant province or territory. Key areas for First Nations reinvestments and investments⁶ are briefly outlined, with further detail provided in Chapter 3.

⁵ This report does not include data for Quebec. Quebec residents benefit in the same way as other Canadians from the Canada Child Tax Benefit. Moreover, they benefit from substantial investments made by the Quebec government, in the context of its family policy, in services for families with children.

⁶ Indian and Northern Affairs Canada reimburses Saskatchewan and the Yukon for the portion of provincial/territorial children's benefits paid to all low-income families living on reserve.

The Children's Special Allowance (CSA)

The CSA is paid by the Canada Revenue Agency for children who are in the care of provincial/territorial child welfare authorities. It mirrors the maximum Canada Child Tax Benefit (CCTB) payments, including the base benefit and the NCB Supplement. Jurisdictions have the option to either recover, or pass on the increased NCB Supplement amount to child welfare authorities for child maintenance costs. In jurisdictions that recover the increase to the NCB Supplement, the amount is included in their reinvestment funds available for NCB-related programs and services.

In 2006–2007, it is estimated that \$20.3 million or 3.1 percent of the total reinvestment funds came from CSA recoveries.

Approaches to Replacing Social Assistance Benefits for Children

Since the inception of the NCB initiative in 1998, three distinct approaches have evolved by which provinces and territories replace social assistance benefits for children with the NCB Supplement. These are:

- the social assistance offset approach;
- the integrated child benefit approach with adjustment; and,
- the integrated child benefit approach without adjustment.

Two provinces, New Brunswick and Manitoba,⁷ do not adjust social assistance benefits for children.

As the NCB has matured, child benefits embedded within social assistance have largely been displaced by the NCB Supplement. Therefore,

the majority of provinces and territories no longer recover increases to the NCB Supplement, so that the vast majority of children living in low-income families have benefited from recent increases.

The three approaches are briefly explained below. For more details regarding the approaches used in specific jurisdictions, see Appendix 2.

1. The Social Assistance Offset Approach

Under this approach, child benefits remain within the social assistance system, but have been gradually displaced by federal increases to the NCB Supplement. Provinces and territories either deduct the NCB Supplement as an unearned income charge against social assistance or reduce their social assistance rates for children. In the case of income offset, social assistance recipients have the amount of the NCB Supplement they receive deducted from their social assistance entitlement. This approach

⁷ Effective July 2000, Manitoba discontinued recovering increases in the NCB Supplement for families receiving income assistance. Effective July 2001, Manitoba stopped recovering the NCB Supplement for children age six or under. Effective January 2003, Manitoba stopped recovering the NCB Supplement for children age seven to eleven; and effective January 2004, it stopped recovering the NCB Supplement for children age 12 to 17 years.

is used in Prince Edward Island,⁸ Ontario,⁹ Yukon, Northwest Territories and Nunavut. In the case of rate reduction, the social assistance rate is reduced by the maximum NCB Supplement. Alberta¹⁰ uses this approach. Reinvestment funds under the Social Assistance Offset approach are the savings in social assistance.

2. The Integrated Child Benefit Approach with Adjustment

In the mid- to late-1990s, several jurisdictions restructured their social assistance systems. In two provinces, children's benefits are now delivered through a separate income-tested child benefit program that is integrated with the CCTB. Under this approach, increases in the NCB Supplement are offset in full or in part against the provincial child benefit. In British Columbia, the savings from this offset become the province's reinvestment funds. In Saskatchewan, the amount of reinvestment funds is set at the amount that was being used for basic child benefits under the social assistance system at the time the system was restructured.

3. The Integrated Child Benefit Approach without Adjustment

Other jurisdictions chose similarly to restructure their social assistance systems. Basic benefits for children were removed from the social assistance program and are now provided through a separate income-tested program integrated with the CCTB. In these cases, however, there is no offset of the NCB Supplement against provincial child benefits. In Newfoundland and Labrador¹¹ and Nova Scotia¹² the amount of reinvestment funds is set at the funds that were being used for basic child benefits under the social assistance system at the time the system was restructured and has remained the same for subsequent years.

⁸ Since 2001, any increases in the NCB Supplement have been used to fund an increase in the Healthy Child Allowance, which is a social assistance benefit.

⁹ The 2004 through 2007 increases to the NCB Supplement were flowed through to social assistance recipients. The 2007 Ontario Budget announced that all future NCB Supplement increases would flow through to social assistance recipients.

¹⁰ Since 2003, Alberta has enhanced the mix of income and in-kind benefits and services to families receiving assistance through the Alberta Works – Support for Independence program by flowing through full increases to the NCB Supplement.

¹¹ Newfoundland and Labrador redesigned its income support program in 1999–2000. All basic benefits for children have been removed from the newly created Income Support Program as these benefits are now provided through the combined CCTB and Newfoundland and Labrador Child Benefit. As a result, Newfoundland and Labrador does not adjust its Income Support benefits for increases in the NCB Supplement, nor does it adjust the Newfoundland and Labrador Child Benefit.

¹² With the advent of the NCB Supplement in 1998, Nova Scotia enhanced the supports available for children of low-income families by introducing the Nova Scotia Child Benefit as a provincial reinvestment initiative. In 2001, children's benefits were removed from the province's income assistance program, substantially increased and fully integrated with the CCTB to establish a single, non-taxable monthly payment for all low-income families with children. At the same time, Nova Scotia ensured that any future increases to the NCB Supplement flowed directly through to families receiving income assistance.

NCB Reinvestments and Investments 2006–2007 to 2007–2008

In 2006–2007, the eighth full year of the NCB initiative, provincial, territorial and First Nations reinvestments and investments are estimated at \$833.6 million.¹³ It is estimated that reinvestments and investments will total \$836 million in 2007–2008. Table 3 provides a breakdown of each jurisdiction's expenditures over two full fiscal years of the initiative: 2004–2005 and 2005–2006. Estimates are given for 2006–2007 and 2007–2008, as final data are not available for many provinces and territories.

In deciding which benefits and services to support through NCB reinvestments and investments, provinces and territories are guided by a national reinvestment framework that was agreed to by the Ministers Responsible for Social Services. Under this framework, jurisdictions have the flexibility to direct reinvestments and investments to meet their own priorities and needs, provided they support the objectives of the NCB initiative.

Many provinces, territories and First Nations base their reinvestment decisions on consultation with their residents, or have included such consultation as part of an overall redesign of their income-support programs.

Under the reinvestment framework, reinvestments and investments are providing new or enhanced supports for low-income families with children. These supports are categorized in six key areas:

- child/day care initiatives;
- child benefits and earned income supplements;
- early childhood services and children-at-risk services;
- supplementary health benefits;
- youth initiatives; and,
- other NCB programs, benefits and services.

NCB Reinvestments and Investments by Program Area

Child/Day Care Initiatives

Accessible and affordable child care allows low-income parents to enter and stay in the labour market. Provincial/territorial NCB reinvestments and investments in child care have taken a variety of forms. In 2006–2007, child/day care programs accounted for the largest share of NCB initiative funding. About 55 percent of the total NCB-related child care expenditures are for a single program: the Ontario Child Care Supplement for Working Families.

Some jurisdictions provide funding through subsidies to child care facilities. These subsidies allow facilities to offer low-income working families access to child care at a more affordable price. Other jurisdictions provide assistance directly to families. This reduces families' share of child care

¹³ This amount includes \$2.1 million in NCB reinvestments by Citizenship and Immigration Canada.

Table 3 NCB Reinvestments and Investments by Jurisdiction and Fiscal Year (\$ millions)

Jurisdiction	Actuals				Estimates			
	2004–2005		2005–2006		2006–2007		2007–2008	
	Reinvestments	Reinvestments & Investments (Total)	Reinvestments	Reinvestments & Investments (Total)	Reinvestments	Reinvestments & Investments (Total)	Reinvestments	Reinvestments & Investments (Total)
Newfoundland and Labrador	9.4	18.8	10.0	19.7	10.7	20.3	11.4	22.1
Prince Edward Island	2.9	3.6	3.1	3.6	3.1	3.7	2.8	3.7
Nova Scotia	20.3	28.6	20.4	27.8	20.6	26.5	20.8	25.1
New Brunswick	–	9.1	–	11.4	–	12.0	–	12.1
Ontario ^a	220.8	246.2	223.2	246.5	219.9	227.7	216.1	221.9
Manitoba ^{b,c}	4.0	51.5	4.3	56.3	4.5	54.7	4.7	53.0
Saskatchewan ^d	57.3	59.2	57.4	60.0	57.5	57.5	58.4	59.8
Alberta	37.7	47.2	36.6	48.8	36.0	47.3	37.7	49.6
British Columbia	318.8	371.9	277.1	328.5	242.0	321.2	230.0	322.8
Yukon	0.3	2.0	0.3	1.8	0.3	1.8	0.3	2.2
Northwest Territories	0.8	1.9	0.8	2.1	0.8	3.2	0.9	3.1
Nunavut	2.8	2.8	2.7	2.7	3.1	3.1	3.4	3.4
P/T Sub-total	675.1	842.8	636.0	809.1	598.4	778.9	586.4	778.7
First Nations	52.7	55.1	54.6	58.0	51.9	52.7	54.6	54.8
Citizenship and Immigration Canada ^e	2.6	2.6	2.5	2.5	2.1	2.1	2.4	2.4
“Other” Sub-total	55.3	57.7	57.1	60.5	54.0	54.7	57.0	57.3
Total	730.4	900.5	693.0	869.6	652.4	833.6	643.5	836.0

^a Figures exclude an additional \$40 million previously committed to the Ontario Child Care Tax Credit.

^b Figures include funding which is provided through remaining NCB Supplement recoveries, Children’s Special Allowance recoveries, federal transfers under the 2000 Early Childhood Development Agreement (\$18.3 million in 2004–2005, 2005–2006 and 2006–2007, and \$18.2 million in 2007–2008), federal transfers under the Multilateral Framework on Early Learning and Child Care (\$5.5 million in 2004–2005, \$8.2 million in 2005–2006, \$10.8 million in 2006–2007 and \$12.6 million in 2007–2008), as well as provincial revenue.

^c Figures for Manitoba’s reinvestments and investments include expenditures on the restoration of the NCB Supplement for families in receipt of Employment Income and Income Assistance Benefits. In both 2004–2005 and 2005–2006, \$13.7 million was spent on the Restoration of the NCB Supplement. It is estimated that in both 2006–2007 and 2007–2008, \$13.7 million was spent on the Restoration of the NCB Supplement.

^d In 2005–2006, due to improved reporting methods, Saskatchewan revised the way in which it reports reinvestments/investments. Expenditures for 2005–2006 have been restated and will not match figures from reports prior to 2005.

^e Citizenship and Immigration Canada administers the Resettlement Assistance Program (RAP) for refugees.

Notes: 1) The expenditures for 2004–2005 may differ from those reported in *The National Child Benefit Progress Report: 2006* due to data revisions.

2) Totals may not add due to rounding.

costs while allowing them to choose the form of child care that best meets their needs. Some jurisdictions combine both approaches. Each of these forms of support

is designed to help low-income families cover the costs of child care associated with being employed. Table 4 provides data on child/day care reinvestments and investments.

Table 4 NCB Reinvestments and Investments by Program Area (\$ millions)

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures	Expenditures	Estimates	Estimates
Child/Day Care Initiatives				
Provincial/territorial expenditures	\$251.7	\$267.4	\$263.8	\$253.2
Percentage of total NCB reinvestments and investments	28.0%	30.7%	31.6%	30.3%
Child Benefits and Earned Income Supplements				
Provincial/territorial and Citizenship and Immigration Canada expenditures	\$217.5	\$149.4	\$104.6	\$89.7
Percentage of total NCB reinvestments and investments	24.2%	17.2%	12.5%	10.7%
Early Childhood Services and Children-at-Risk Services				
Provincial/territorial expenditures	\$150.8	\$153.2	\$161.9	\$161.3
Percentage of total NCB reinvestments and investments	16.8%	17.6%	19.4%	19.3%
Supplementary Health Benefits				
Provincial/territorial expenditures	\$53.8	\$61.0	\$64.3	\$68.7
Percentage of total NCB reinvestments and investments	6.0%	7.0%	7.7%	8.2%
Youth Initiatives				
Provincial/territorial expenditures	\$41.0	\$43.9	\$47.0	\$48.0
Percentage of total NCB reinvestments and investments	4.6%	5.1%	5.6%	5.7%
Other NCB Programs, Benefits and Services				
Provincial/territorial and Citizenship and Immigration Canada expenditures	\$130.4	\$136.6	\$138.5	\$160.3
Percentage of total NCB reinvestments and investments	14.5%	15.7%	16.6%	19.2%

Note: First Nations reinvestments and investments are reported separately in Chapter 4.

Child Benefits and Earned Income Supplements

Child benefits and earned income supplements provide important financial support to low-income families through monthly cash payments to the parent or guardian of the child. These benefits improve the financial stability of low-income families by helping to make up for the relatively low wages that often come with entry level jobs, and by supporting parents to stay in the labour market and work toward higher wages in the future.

A number of provinces and territories are now providing child benefits outside of the social assistance system, so that families receive these benefits regardless of the parents' employment situation. Several provinces have completely restructured their social assistance systems so that they now provide child benefits to all low-income families with children, while benefits for adults continue to be provided through social assistance. As a result, families in these provinces keep their provincial child benefits—in addition to the NCB Supplement—when parents make the transition from social assistance to work. Several other jurisdictions provide child benefits that top up the amount that families receive through social assistance in support of their children. In most of these cases, the provincial or territorial child benefit is combined with the federal CCTB in a single monthly payment, which is administered by the Canada Revenue Agency.

Some jurisdictions also provide low-income working families with children with an earned income supplement in order to provide incentives to work. Eligibility is tied to earning a certain minimum amount from employment. Earned income

supplements top up family-earned income for low-wage earners, helping families to cover the added costs of employment.

In 2006–2007, child benefits and earned income supplements accounted for the fourth-largest portion of NCB reinvestments and investments (see table 4).

Early Childhood Services and Children-at-Risk Services

Experts on child development agree that the first six years of life are critical to a child's development and future well-being. Several jurisdictions are focusing NCB reinvestments and investments on services that provide early support to children in low-income families in order to optimize child development and give young children a healthy start in life. These programs range from prenatal screening to information on mother and child nutrition and parenting skills. Children-at-risk services, ranging from early literacy classes to recreation programs, can make a positive difference in the lives of these children.

Programs in this key area accounted for the second-largest share of NCB initiative funding in 2006–2007 (see table 4).

Supplementary Health Benefits

Supplementary health benefits include a range of benefits that go beyond basic medicare coverage, such as optical care, prescription drugs, dental care or other benefits. The nature of these benefits varies among jurisdictions, many of which have long provided similar benefits to families with children receiving social assistance. Now, NCB reinvestments and investments in some provinces and territories are providing these benefits to all children in low-income families. These programs ensure

that families do not lose important health benefits for their children when they move from social assistance to the labour market.

The health benefits that are provided as NCB reinvestments and investments vary among jurisdictions. Approximately 40 percent of the NCB-related Supplementary Health Benefits can be attributed to Alberta's Child Health Benefit, which was the largest program of this type in the country in 2006–2007 (see table 4).

Youth Initiatives

Youth initiatives include a range of benefits and services that are designed to assist and support youth, with particular attention to youth-at-risk. These programs are valuable in providing youth-at-risk with support to help them develop in positive directions. Youth initiatives, ranging from alcohol and drug strategies to transitional support for youth leaving child welfare, can make a positive difference in the lives of these young people (see table 4).

Other NCB Programs, Benefits and Services

The flexibility of the NCB enables provinces and territories to address particular challenges facing their jurisdictions, and investments are made in other areas.

Ontario municipalities, which share responsibility for social assistance with the province, provide a wide array of reinvestment and investment programs and services, which are included in this category. These range from early intervention and child care to employment supports and prevention programs. Other reinvestments and investments account for the third-largest share of NCB initiative funding (see table 4).

Citizenship and Immigration Canada

Citizenship and Immigration Canada (CIC) administers the Resettlement Assistance Program (RAP), which provided refugees with \$33.2 million in income support in 2006–2007, reflecting the amounts that jurisdictions provide through social assistance. This includes \$2.1 million, which is the NCB reinvestment portion of the RAP program. CIC reinvestments fall into two of the six key areas of investments and reinvestments: child benefits and earned income supplements, and other NCB programs, benefits and services.

First Nations

First Nations follow a reinvestment framework administered by Indian and Northern Affairs Canada (INAC). First Nations reinvestments and investments are estimated to be \$52.7 million in 2006–2007, and constituted approximately 6.3 percent of total reinvestments and investments. However, First Nations' NCB reinvestments cover a wider range of program areas than those of the provinces and territories according to local needs, and are therefore discussed separately in Chapter 3 as well as Appendix 2.

The First Nations National Child Benefit Reinvestment Initiative



The First Nations of Canada are unique in many respects, with distinctive cultural, social, and economic characteristics; moreover, their members represent the youngest and fastest-growing segment of the national population. While much progress has been made over the years in bettering the conditions of life for their people, in many communities significant social, health, and economic problems persist, impacting especially on the children of low-income parents who cannot access the financial and social resources needed to provide for their children's physical, emotional, and social well-being and development.

Since the inception of the National Child Benefit (NCB) in 1998, First Nations and the federal government have partnered in establishing and promoting the First Nations National Child Benefit Reinvestment (NCBR) initiative with the aim of providing opportunities for children of low-income parents to develop more fully their potential as healthy, active, and contributing members of their communities.

The First Nations NCBR has the overall goals of reducing the extent of child poverty and creating greater opportunities for low-income parents to participate in the work force. These goals are achieved through two social measures: (1) income benefits for low-income families with children to enable them to meet their children's developmental needs adequately, and (2) reinvestment funds for the

operation of projects that will help these families and children to achieve independence and self-sufficiency.

Low-income families with children in First Nations communities are entitled to receive the Canada Child Tax Benefit (CCTB), including the National Child Benefit (NCB) Supplement, and provincial child benefits in accordance with the same income and other eligibility requirements that apply to off-reserve populations.

Reinvestment funds are obtained from adjustments to income assistance programs. Many provinces and territories have integrated their income assistance programs with the NCB by reducing income support benefits in amounts equal to NCB Supplement payments received by families. The savings to the income assistance program constitute the funding available for projects aimed at lessening child poverty. First Nations administering authorities employ the same income support schedules as their provincial/territorial counterparts, and similarly have reduced the benefits payable to parents in receipt of the NCB Supplement (total family income does not decrease). The amount of available reinvestment funds is calculated regionally, according to the procedures followed by the provincial and territorial governments.

The reinvestment decision-making process includes consultations with the people of the community. Generally, the approach taken is to prioritize the service needs, identify services that are under-supplied relative to those needs, assess developmental possibilities in terms of available funding and staffing resources, and create the operational structures that will deliver the benefits to the people who need them. The types of projects funded vary from First Nation to First Nation, and cover a wide range of services according to the needs and preferences expressed by the communities themselves. This flexibility is an important feature of the initiative, as it permits each First Nation to implement projects that not only are targeted at alleviating child poverty but are also culturally relevant and responsive to the unique characteristics of the community.

Reinvestment funds may be used to enrich existing services or to create new services. Many projects operate exclusively with First Nations NCB reinvestment funding; however, where available reinvestment funding is not sufficient in itself, a First Nation may seek out additional financial resources to meet the total cost of a project, for example, from Brighter Futures, Canada Manpower, band revenue, daycare funding, or employment-creation programs.

Project activities may directly address children’s needs, e.g., through school nutrition projects or reinforcing cultural knowledge and values, or more indirectly, to parents, by upgrading employment qualifications or improving parenting skills. The projects are categorized into five broad activity areas: child care; child nutrition; support to parents; home-to-work transition; and cultural enrichment. Descriptions of each activity and related quantitative data are available in Appendix 2.

Table 5 shows the total First Nations NCB reinvestment and investment envelope from 1998–1999 to 2007–2008.

Table 5		First Nations: NCB Reinvestments and Investments
Year	Total (\$ millions)	
1998–1999	30.1	
1999–2000	50.2	
2000–2001	54.3	
2001–2002	57.0	
2002–2003	56.0	
2003–2004	53.2	
2004–2005	55.1	
2005–2006	58.0	
2006–2007 (estimate)	52.7	
2007–2008 (estimate)	54.8	

Table 6 outlines the First Nations reinvestments and investments by region from 2004–2005 through to 2007–2008.

Table 7 shows the number of NCBR projects that have been operated by bands during the period from 2003–2004 to 2006–2007.

Region	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Atlantic ^a	3,908	2,574	2,044	2,044
Quebec	3,315	3,134	3,045	3,100
Ontario	8,856	9,168	9,117	10,000
Manitoba ^b	0	0	0	0
Saskatchewan	19,763	22,710	21,180	22,328
Alberta	9,423	10,080	9,283	9,200
British Columbia	6,919	6,604	6,491	7,214
Yukon	565	345	720	720
Sub-total	52,748	54,614	51,880	54,606
Additional Investment Envelope ^c	2,379	3,434	780	240
Total	55,127	58,048	52,660	54,846

^a Figures for the Atlantic region only includes First Nations in Nova Scotia and Prince Edward Island.
^b Effective January 2004, Manitoba fully discontinued the practice of recovering the NCB Supplement from families receiving income assistance, including First Nations families. As a result of flowing through the NCB Supplement to families, funds are no longer being recovered for reinvestment.
^c The additional investment envelope includes funding to reimburse Saskatchewan and the Yukon for the portion of provincial/territorial children's benefits paid on reserve.

Note: Totals may not add due to rounding.

Region	Number of Projects			
	2003–2004	2004–2005	2005–2006	2006–2007
Atlantic ^a	7	18	17	9
Quebec	64	99	109	105
Ontario	52	202	248	485
Manitoba	99	0	0	0
Saskatchewan ^b	72	180	218	645
Alberta	157	187	331	285
British Columbia	959	873	449	457
Yukon	13	10	7	5
Total	1,423	1,569	1,379	1,991

^a Limited to Nova Scotia and Prince Edward Island.
^b The number has increased due to the revised reporting method used by Saskatchewan.

Monitoring and Reporting: First Nation Component

The *NCB Governance and Accountability Framework* sets out accountability requirements for all National Child Benefit partners. First Nations report annually to Indian and Northern Affairs Canada (INAC) on activities and results related to funding under the reinvestment component. Using this information, and its own records, INAC prepares and distributes annual progress reports as required by the Treasury Board Secretariat. The reports provide background information on the purposes and structure of the reinvestment component, as well as descriptions of the progress being made by First Nations in implementing the initiative, with examples of the kinds of projects that have been carried out. Expenditure and impact data are included. The annual reports are available at the *National Child Benefit Reinvestment Initiative in First Nations Communities* website at

<http://www.ainc-inac.ca/hb/sp/ncb/index-eng.asp>.

Proposal Development and Reporting Guide

The *Proposal Development and Reporting Guide*, developed in collaboration with First Nations NCB administrators, assists First Nation communities with the proposal process for approval of reinvestment projects as well as to outline annual reporting requirements. An electronic version is available at <http://www.ainc-inac.ca/hb/sp/ncb/pubs/ri/ncbrg-eng.asp>. The *Guide* provides detailed information on:

- Steps involved in planning and processing a proposal, including accessing funding, roles and responsibilities of staff, writing

the proposal, a proposal checklist, and submitting the proposal. A proposal template is included in the guide.

- Reporting requirements, including time frames for reporting and information required for the First Nations NCB Annual Report on Reinvestment.
- Background information on the NCB Initiative.

National Child Benefit Reinvestment Initiative National Manual

The *NCBR National Manual* was developed to provide direction to departmental regional officials and First Nations administrators on the interpretation and implementation of terms and conditions related to the reinvestment initiative. The manual is an ongoing document which is updated as necessary; the current version is available at the INAC NCB website:

<http://www.ainc-inac.ca/hb/sp/ncb/pubs/ncb/ncb-eng.asp>.

Review of Activities in First Nation Communities

A review of NCB Reinvestment activities conducted by an independent consulting firm was released in 2005. The review, which was based on interviews with administrators from thirty-seven communities, examined community consultation processes; project administration and evaluation strategies; levels of community awareness and satisfaction with the NCB Reinvestment initiative, resource distribution between target groups; the flexibility of design parameters; and suggestions for improvement to the initiative.

Suggested improvements from participants included (1) increasing networking opportunities for NCBR administrators to share information with their peers; (2) providing for longer-term approval of projects, beyond one year; and (3) confirming an expected duration of the initiative to reduce uncertainty regarding its longevity.

First Nations NCB Reinvestment Conference

In November 2006, First Nations NCB Reinvestment administrators from all regions of Canada attended a national gathering in Toronto. The goals were to share information on reinvestment success stories, provide opportunities to network with colleagues from across the country, discuss the potential to enhance/revise the NCB Reinvestment activity area definitions, and obtain feedback on a draft resource/tool for a longer-term approval of NCB reinvestment projects.

Observations

The goals of reducing the extent of child poverty and giving low-income parents opportunities to participate more fully in the work force and in the life of the community are being significantly realized as a result of the leadership and efforts of First Nation governments, organizations, and individuals in implementing the First Nations reinvestment component.

The benefits of the First Nations NCBR Initiative for children, families, and communities may be summarized as follows:

1. The reinvestment component has allowed First Nations to establish developmental, cultural, and social programs and services that would not, for lack of funding, otherwise exist in their communities. These services have improved the conditions of life for low-income families and their children, and enabled their greater participation in economic, social, and cultural activities.
2. The adaptability of the reinvestment component has afforded local government wide scope for the creation of projects that are especially responsive to the specific social conditions and ills of their own communities. So long as their projects are in accord with NCB objectives, First Nations are able to focus the resources on their own prioritized needs.
3. Cultural enrichment activities funded by NCB Reinvestments have raised awareness of local traditions, values, social organization, and economic life, fostering a sense of pride and individual self-esteem for the members of the community.
4. Because responsibility for the planning, development, and delivery of services, as well as the reporting of project activities and expenditures, is carried by the First Nations themselves, local officials and administrators have developed transferable managerial knowledge and skills that will continue to benefit their communities in the longer term.

5. The initiative reinforces the thrust of the Government of Canada and First Nations governments, organizations, and individuals to develop self-governing, self-determining, and self-reliant communities.

The demonstrated success of the NCB Reinvestment Initiative stands as an example of the progress that is being made by the Government of Canada and First Nations in their shared effort to improve the quality of life for Aboriginal peoples.

Monitoring Progress – Societal Level Indicators



Federal, provincial and territorial governments are committed to monitoring and reporting on the National Child Benefit (NCB) initiative in accordance with the *NCB Governance and Accountability Framework*.¹⁴ This commitment is essential so that Canadians can be informed on the NCB's progress toward meeting its goals.

This chapter focuses on **societal level indicators**. These indicators of socio-economic trends are affected by the NCB as well as by many factors unrelated to the NCB, such as the general level of economic activity, government investments in income transfers, changes in tax policy, and demographic changes. While the NCB initiative has some influence on the trend of these societal level indicators, no attempt is made to isolate the impact of the NCB alone on these trends. Instead, the indicators reported in this chapter paint a broad picture of the condition of low-income families with children in Canada,¹⁵ and provide a basis for comparison on the progress made over time. Chapter 5 reports on **direct outcome indicators**, which identify the direct impact of the NCB on families with children.

Table 8 describes the set of societal level and direct outcome indicators developed at the inception of the NCB initiative to track the degree to which each of its three goals is being achieved. This report provides information on many of these societal level indicators, including analysis of the incidence, depth, and persistence of low income among families with children in Canada over time. Information on other societal level indicators is included in the *Evaluation of the National Child Benefit Initiative: Synthesis Report*.¹⁶

It should be noted that the measures used in this chapter only indicate trends among Canadian families with children in terms of income. Many other investments in benefits and services introduced under the NCB initiative contribute to improving the well-being of children and their families. Many provincial and territorial NCB programs, benefits and services, such as supplementary health benefits, child/day care, early childhood and children-at-risk services, do not directly affect income trends but are still an important part of governments' strategies to support Canadian families.

¹⁴ The *NCB Governance and Accountability Framework* is available on the NCB website, at: www.nationalchildbenefit.ca.

¹⁵ Analysis in chapters 4 and 5 does not include the Territories as Statistics Canada's *Survey of Labour and Income Dynamics (SLID)* is a household survey that currently excludes residents of the Yukon, the Northwest Territories and Nunavut, residents of institutions and persons living on Indian reserves.

¹⁶ The *Evaluation of the National Child Benefit Initiative: Synthesis Report* is available on the NCB website, at: www.nationalchildbenefit.ca.

Table 8 Outcome Indicators for the NCB

Goals	Societal Level Indicators	Direct Outcome Indicators
Help prevent and reduce the depth of child poverty.	Incidence of low income	Incidence of low income
	Number and percentage of families and children living in low income (as defined by the LICOs, LIM and Market Basket Measure).	The change in the number of families and children that fall below the low-income line, because of the NCB, within a year.
	Duration of low income	Not applicable
	Number and percentage of families and children who have been in low income during all four previous years.	
	Depth of low income (dollar and percentage)	Depth of low income
	Additional amount of income a low-income family would need to reach a pre-determined line (as measured by the LICOs, LIM and Market Basket Measure).	The change in the aggregate amount of income that low-income families would need to reach a pre-determined line, due to NCB benefits, within a year.
Promote attachment to the labour market by ensuring that families will always be better off as a result of working.	Labour market participation	Labour market participation
	Number and percentage of earners in families below the low-income line.	The change in the difference in disposable income between social assistance and employment due to the NCB, within a year.
	Average earned income of low-income families as a percentage of the low-income line.	The change in social assistance caseloads, exit rates and duration of spells on assistance due to the NCB.
	Average earned income of low-income families, over time, expressed in constant dollars.	
	Number of families/children on social assistance.	
Reduce overlap and duplication by harmonizing program objectives and benefits, and simplifying administration.	Level 1 — use of federal income tax system to deliver benefits.	Not applicable
	Level 2 — participation rates in NCB programs, examples of expanded information-sharing agreements.	
	Level 3 — surveys of managers and other key informants (monitored as part of the NCB evaluation)	

The analysis in Chapters 4 and 5 is based on data from Statistics Canada’s *Survey of Labour and Income Dynamics* (SLID). For a discussion of the SLID, its strengths, and its limitations, please see Chapter 5 of *The National Child Benefit Progress Report: 2005*, which is available on the NCB website.

Measuring Low Income

Canada does not have an official poverty line. Several different measures of low income are used in Canada. The most common are the Low Income Cut-offs (LICOs), the Low Income Measure (LIM) and the Market Basket Measure (MBM). Previous *NCB Progress Reports* have relied upon the post-tax LICO and LIM to measure trends

in low income among families with children. This report will continue to use the post-tax LICO and LIM for continuity and to describe long term trends that pre-date the development of the MBM. However, beginning this year, the report will also use the MBM to track low income trends from the year 2000 forward, the first year MBM data was available.

Prior to the development of the MBM the two most commonly used measures of low income in Canada were Statistics Canada's LICO and LIM measures. LICOs are set according to the proportion of annual income spent on basic needs, including food, shelter and clothing. The LICO is the income level at which a family spends 20 percentage points more of its income on these items relative to the average family. The size of the family and community is taken into account, but geographic differences in the cost of living are not.

The LIM considers a family to be living in low income if its income, adjusted for family size, is less than half the median income (the income level at which the incomes of half of all families are higher and half are lower). The post-tax-and-transfer LIM is similar to measures used in international comparisons, but it does not reflect geographic differences in living costs across Canada.

Both the LICO and the LIM can be calculated using either before- or after-tax income. Post-tax income is generally considered to be a better measure of low-income in Canada for two reasons. First, post-tax income more fully accounts for the re-distributive impact of Canada's tax

system. Secondly, since the purchase of necessities is made with after-tax dollars, this approach more fairly and consistently measures the economic well-being of individuals and families.

The MBM was developed in 1997 at the request of Federal/Provincial Ministers Responsible for Social Services in order to complement existing measures in evaluating the effectiveness of the National Child Benefit initiative in reducing the incidence and depth of child poverty in Canada. Seven years of data based on this measure are now available, making it possible to examine low income trends over a significant time period (2000 to 2006). In previous reports, MBM data was included in a text box on low-income measurement. Beginning with this year's report, MBM data up to 2005 will be incorporated to describe trends throughout this chapter.

The MBM provides a new, more intuitive approach to the measurement of low income. The MBM is based on estimates of the actual cost of food, clothing, shelter, transportation and other necessary goods and services, such as household supplies and telephone services.¹⁷ The cost of this basket of goods and services is determined for 48 regions in the ten provinces. Using the MBM, households are considered to be living in low income if they are unable to purchase this basket of goods and services after accounting for income and payroll taxes and other non-discretionary out-of-pocket spending such as child care necessary to earn income, medically prescribed health expenses and aids for persons with disabilities.

¹⁷ Not all jurisdictions agree on the estimated cost of housing currently used for the basket. The incidence of low-income and ranking of the rates are sensitive to the estimate of housing costs used.

Compared with the LICOs and the LIM, the MBM more precisely reflects differing living costs by geographic location because the thresholds are estimated by region, as well as urban size.

Key Trends

The societal level indicators discussed in this chapter measure the **incidence**, **duration**, and **depth** of low income among families with children in Canada over time. They also illustrate trends in **labour force attachment** and **social assistance caseloads**. In this section LICOs are used in order to show progress since the inception of the NCB. Using the societal level indicators for low-income families with children, this report identifies the following key trends:

- In 2005, using post-tax LICOs, the incidence of low-income among families with children fell to 10.5 percent from 11.6 percent in 2004. This is well below the high of 17.6 percent in 1996. The number of families with children living below the LICO has fallen from 687,000 in 1996 to 398,948 in 2005, or a decline of 288,052 families.
- Using the MBM, the incidence of low income among families with children decreased from 14.8 percent in 2004 to 13.5 percent in 2005. In 2005, 516,991 families with children had incomes below the MBM threshold.
- The number of children living in low-income families has declined from a high of 1,304,000 in 1996 to 787,894 in 2005, or a decrease of 516,106 children, according to the LICOs. According to the MBM, 1,013,633 children lived in low income in 2005.

- The depth of low income (which is the additional amount of income needed by low-income families to reach the low-income line) increased slightly between 1996 and 2005 using the LICO. Expressed in 2005 dollars, the average depth of low income was \$7,982 in 2005 compared to \$7,820 in 1996.
- Using the LICO, the proportion of low-income families in which at least one parent was employed for pay during the year increased from 55.7 percent in 1996 to 72.7 percent in 2004 but declined somewhat to 67.4 percent in 2005.
- There was a reduction in social assistance use by families with children, and corresponding evidence of increasing attachment to the labour force. Between 1996 and 2006, the total social assistance caseload for families with children declined by 57.5 percent, from 631,900 to 268,600 cases.

Incidence of Low Income among Families with Children

A significant decline over time

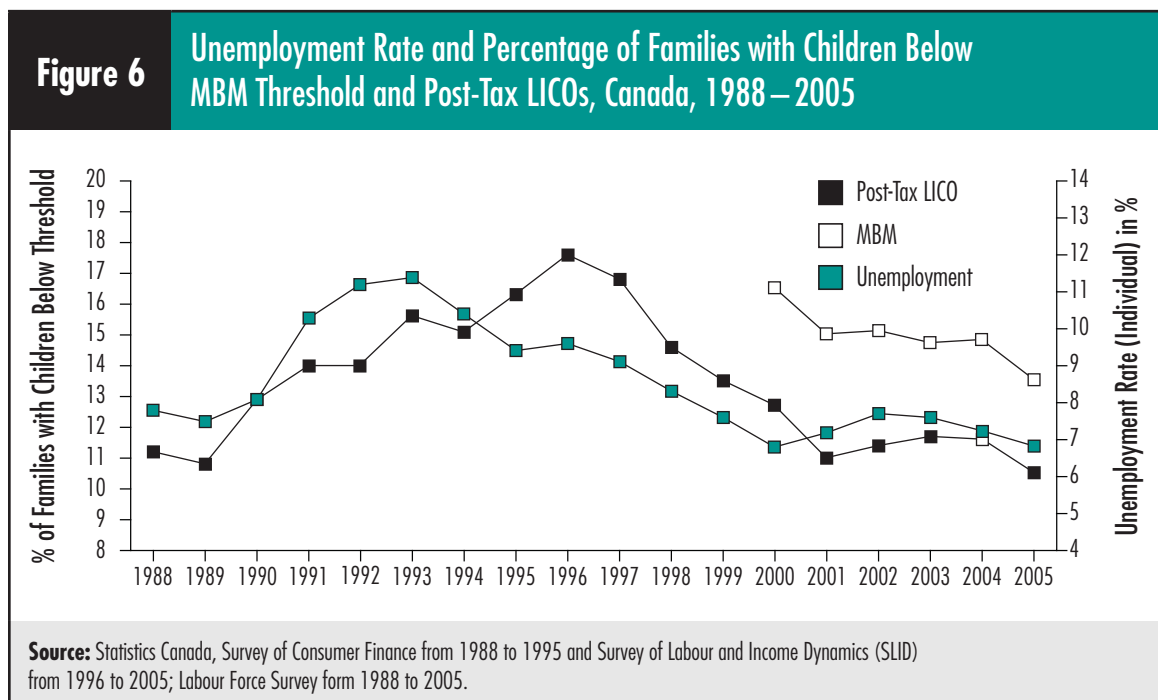
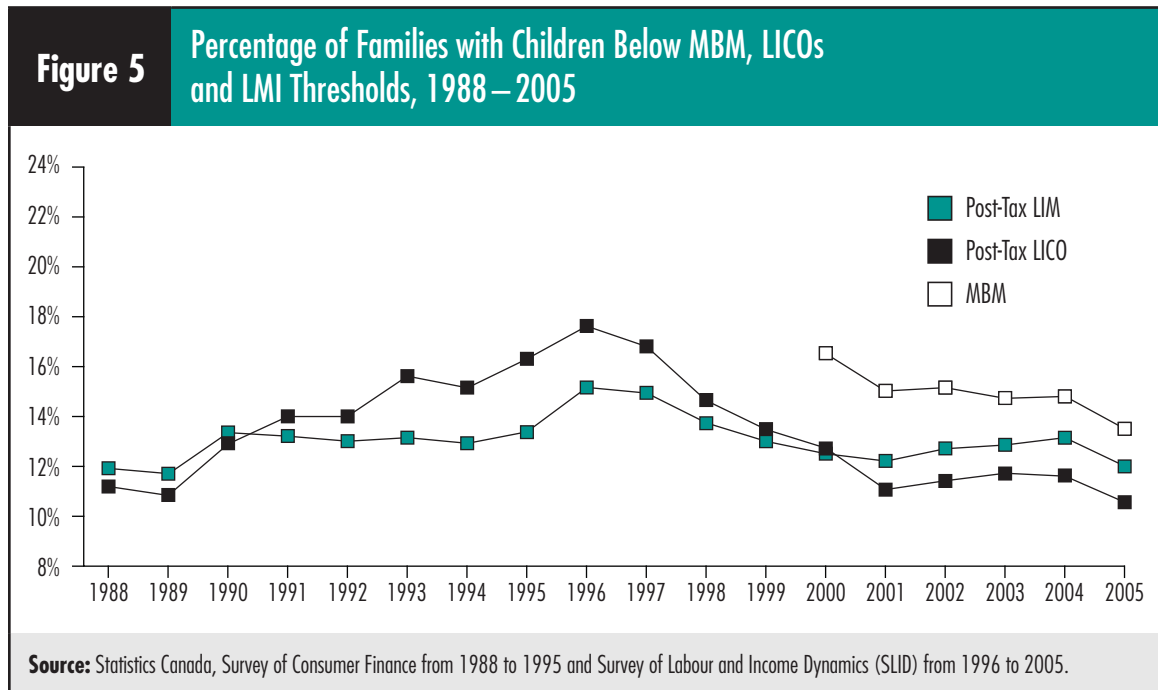
The incidence of low income refers to the number of families with children who fall below a pre-determined low-income line expressed as a percentage of all families with children. The trend in the incidence of low income among Canadian families with children since 1988 is shown in Figure 5, using the MBM, post-tax LICOs and post-tax LIMs.

The proportion of families with children living in low income has closely followed the business and employment cycles (see Figure 6). Using the post-tax

LICOs measure, Figure 5 shows that the incidence of low income among families with children dropped from 17.6 percent in 1996 to 11.0 percent in 2001 and then rose to 11.7 percent in 2003 and declined to 10.5 percent in 2005. The MBM shows a decline in the incidence of low income

among families with children, from 16.5 percent in 2000 to 13.5 percent in 2005.

The low-income rate using the Market Basket Measure is higher than that obtained using Statistics Canada's



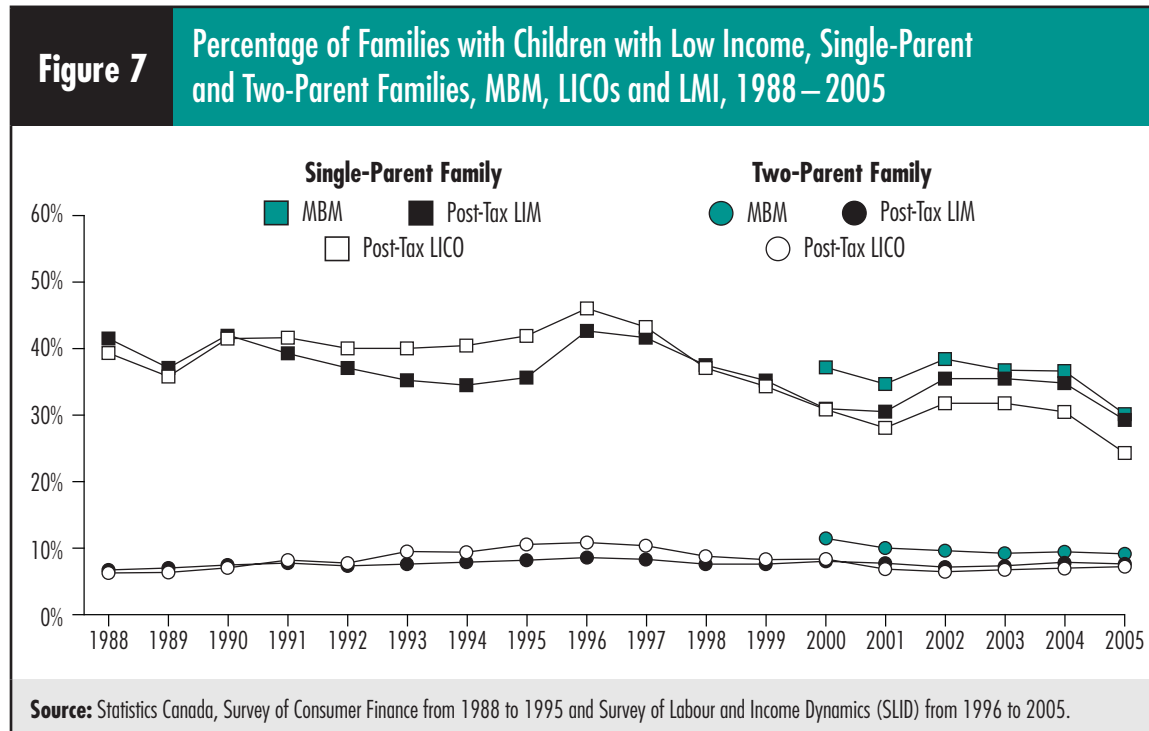
post-tax LICO. The most important reason for this, accounting for over 80% of the difference between the rates using the two measures, is that the definition of disposable income used when comparing families' income to the MBM low-income threshold is more comprehensive than the definition of disposable income used by the LICO. That is, the Market Basket Measure subtracts more items from gross income than the LICO, such as payroll taxes, out-of-pocket child care costs, vision care, dental care, prescription drugs, alimony and child support payments. The remainder of the difference is accounted for by the choice of the modest but decent standard of living represented by the content of the MBM basket.

In 2005, there were 516,991 families with 1,013,633 children living below the MBM threshold compared to 558,671 families with 1,105,379 children in 2004. Since the year 2000, the incidence of low income

among families with children has decreased by about 18 percent. This reduction translates into a net movement of more than 120,563 families with about 229,023 children above the MBM threshold between 2000 and 2005.

The longer term trend indicated by the post-tax LICO data also shows a decline. In 2005, there were 398,900 families with 787,900 children living below the post-tax LICO compared to 687,000 families with 1,304,000 children in 1996. This translates into a decrease in the incidence of low income among families with children of 41.9 percent. It is important to note that this decrease is greater than that shown using the MBM because of the difference in the period observed.

The reduction in the proportion of single-parent families living in low income since 1996 has been particularly significant. As Figure 7 shows, the proportion of one-parent families living below the



post-tax LICO declined from 46.0 percent in 1996 to 24.4 percent in 2005. The proportion of two-parent families living below the post-tax LICO also showed a decline, from 10.9 percent to 6.9 percent between 1996 and 2005. The proportion of one-parent families living below the MBM threshold declined from a high of 38.2 percent in 2002 to 30.4 percent in 2005. The proportion of two-parent families living below the MBM threshold also showed a decline, from 11.5 percent in 2000 to 9.2 percent in 2005.

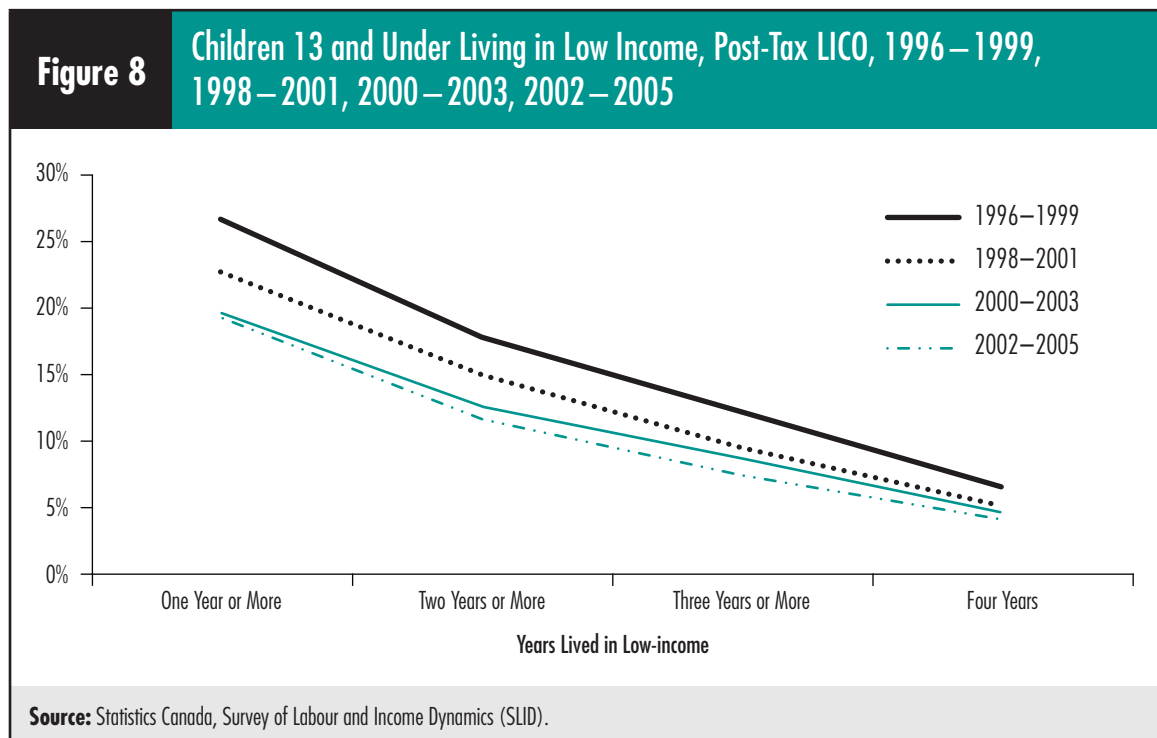
Duration of Low Income

Low Income is Temporary for Most

Low income is usually not a permanent situation for most families with children. Most families who experience low income move in and out of it over time.

From 1996 to 2005, on average, 13.1 percent of families with children lived in low income (post-tax LICO) in any given year. As shown in Figure 8, between 1996 and 1999, about a quarter of all children aged 13 and under lived in a family which experienced low income for at least one of those four years (1,403,600 children in total). However, of those 1,403,600 children, less than one-half lived in low income for more than two of these four years (638,700 children in total, or 12.1 percent of all children age 13 and under). Only about a quarter of these children lived in a low-income situation for all four years (332,700 children in total, or 6.3 percent of all children age 13 and under).

Comparing the 1996–1999 period to the next four-year period, 1998–2001, the proportion of children experiencing low income in at least one of the four years declined from 26.5 percent to 22.6 percent. This proportion declined further to



19.1 percent in the 2000–2003 period. However, in the 2002–2005 period the proportion of children experiencing low income has increased to 19.6 percent.

Of the 943,700 children aged 13 and under who lived in a family which experienced low income for at least one year between 2002 and 2005, less than one-half lived in low income for more than two of these four years (417,100 children in total, or 8.7 percent of all children age 13 and under). Less than a quarter of these children lived in low income for all four years (220,200 children in total, or 4.6 percent of all children age 13 and under).

Depth of Low Income

Though Fewer Families are in Low Income, the Depth of Low Income has Increased in Recent Years

The depth of low income measures how far family income falls below a given low-income line. It measures the additional amount of income a low-income family would need to reach a pre-determined low-income line, such as the MBM threshold or Statistics Canada’s LICOs or the LIM.

An example is given below in Table 9. It shows that the 2005 low-income line (post-tax LICOs) of a two-parent, two-child family living in an Ontario city of between 100,000 and 500,000 people is \$32,576. If such a family had a disposable income of \$24,432 in that year, its depth of low income would be \$8,144 (i.e., \$32,576 – \$24,432). Expressed as a percentage, the depth of low income of this family is equal to 25 percent of the low-income line (i.e., [$\$8,144/\$32,576$] × 100).

The LICO data in Figure 9 shows that between 1988 and 2005, there has been a slight increase in the depth of low income among families with children, from 29.3 percent in 1988 to 31.0 percent in 2005. Between 1997 and 2005, the depth of low income among families with children improved slightly from 32.2 percent to 31.0 percent in 2005.

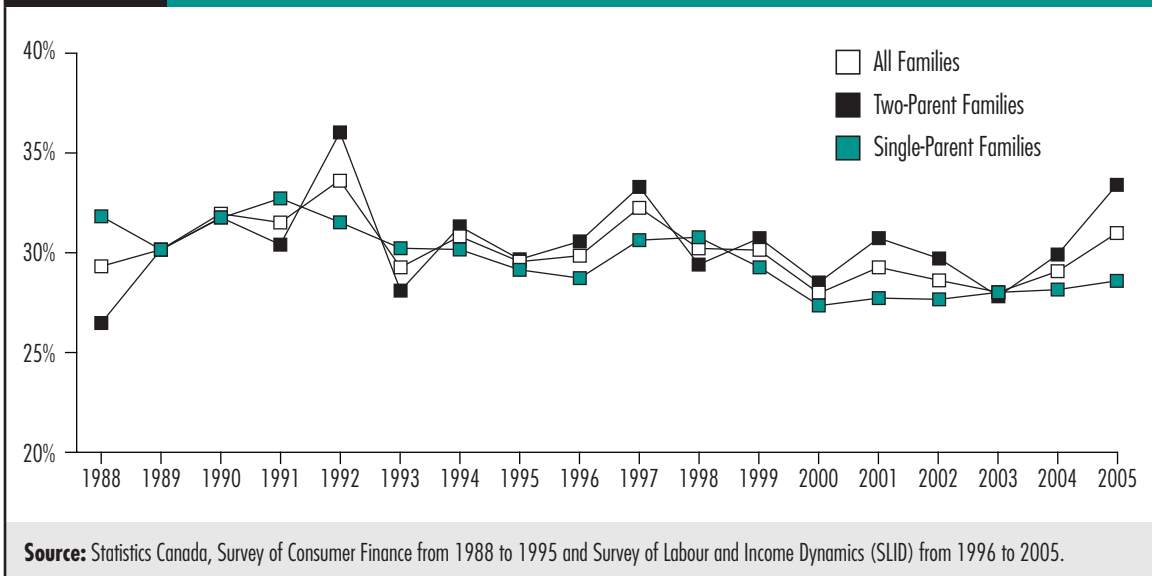
In dollar terms, the average depth of low income has also shown a slight increase between 2000 and 2005. In 2000, low-income families with children had an average disposable income of \$19,652. These low-income families would have needed, on average, \$7,529 to reach the

Table 9

Depth of Low Income for a Two-Parent, Two-Child Family Living in an Ontario City of between 100,000 and 500,000 People in 2005

	Post-Tax LICOs
2005 Low-Income Cut Off (Post-Tax)	\$32,576
Example Family's Disposable Income	\$24,432
Difference Between Low-Income Cut Off and Example Family's Income (Depth of Low Income of that Family)	\$8,144
Percentage Points Below Low-Income Cut Off	25%

Source: Statistics Canada, Survey of Labour and Income Dynamics (SLID) 2005.

Figure 9**Post-Tax LICO: Depth of Low Income – Shortfall of Low-Income Families with Children as a Proportion of the LICO, 1988–2005**

after-tax LICO threshold in their region. Comparatively, low-income families had an average disposable income of \$19,448 in 2005 and needed, on average, \$7,982 to reach the low-income line.¹⁸

Complex factors make it difficult to interpret changes in the depth of low income. As described above, movements in and out of low income are significant and have an impact on the depth of low-income indicator. For example, if families that are closer to the low-income line increase their incomes enough to no longer be considered living in low-income, the average depth of low income for those who remain below the low-income line may actually increase. This result would give the impression that the situation has worsened for all, when it has really improved for many. Despite these limitations, the depth of low income is an important indicator of how low-income families are faring.

Labour Market Attachment Among Low-Income Families

Employment Among Low-Income Parents Remains High

Promoting attachment to the labour force among low-income families with children is the second goal of the NCB initiative. Figure 10 indicates that the percentage of low-income families in which the parents had paid employment declined during the economic downturn in the early 1990s, but then continued to increase during the economic recovery of the late 1990s and the early part of this decade. However, the figures for 2005 show a sharp decline in paid employment among families with children.

As illustrated in Figure 10, the proportion of low-income families with children in which at least one parent

¹⁸ For comparison purposes, the figures in this paragraph are expressed in 2005 dollars.

was employed for pay during the year increased from 55.7 percent in 1996 to 72.7 percent in 2004 but then declined to 67.4 percent in 2005. The proportion of one-parent families employed for pay rose from 37.5 percent in 1996 to 63.2 percent

in 2004 and then declined to 55.6 percent in 2005.

Additional information on labour force attachment can be gained by examining the sources of income of low-income families with children. For example, Figure 11

Figure 10 Post-Tax LICO: Percentage of Low-Income Families Employed for Pay During the Year, by Family Type, 1988–2005

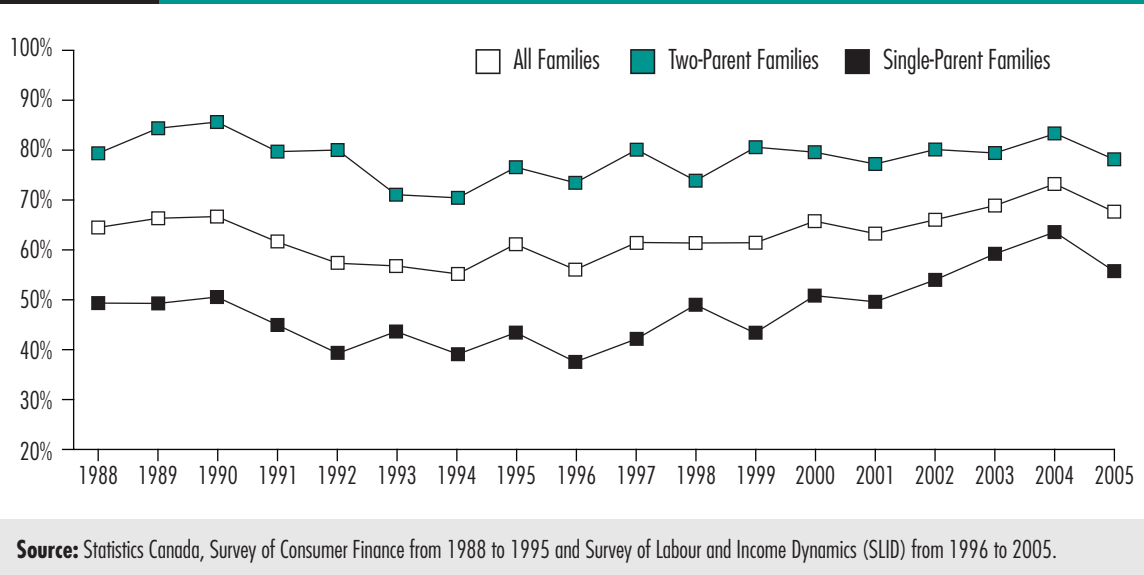
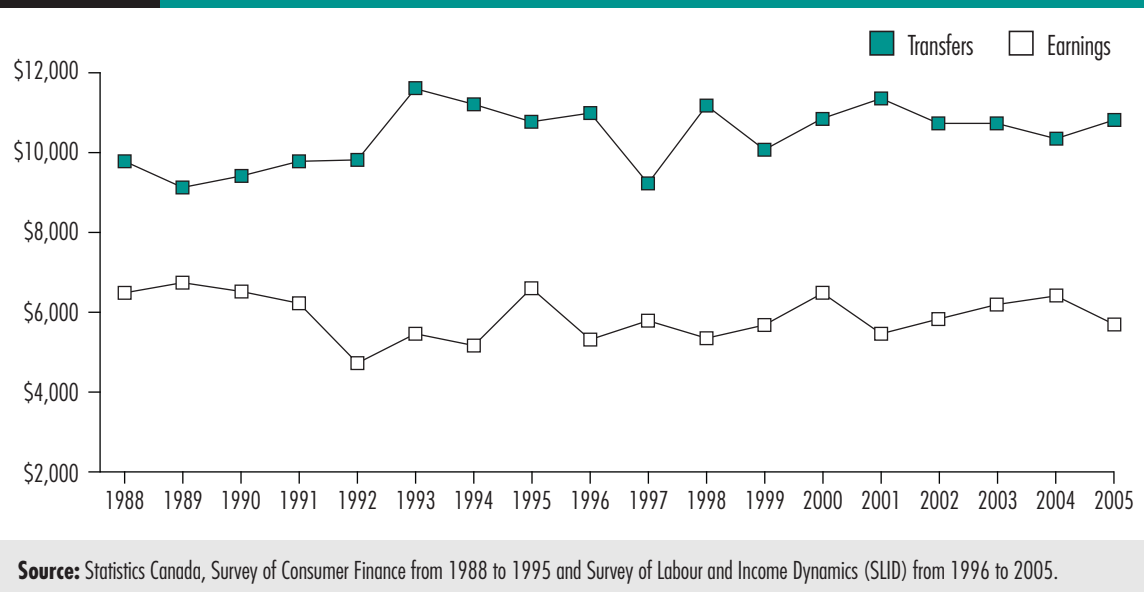


Figure 11 Source of Family Income, Low-Income Families with Children, Post-Tax LICO (expressed in 2005 dollars)



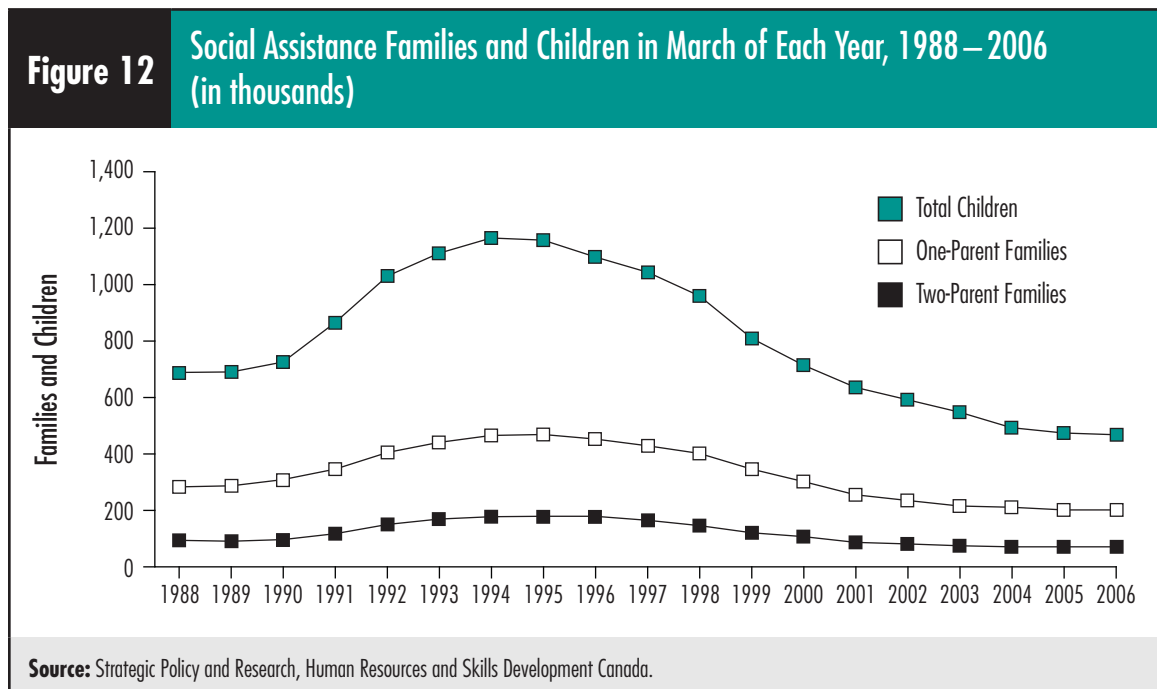
shows the average level of government transfers received and average earnings of low-income families with children between 1988 and 2005 (expressed in 2005 dollars).

While there has been variation from year to year, from the early 1990s to 2004, there was a moderate upward trend in the level of earnings of low-income families with children and in the proportion of after-tax income that comes from employment earnings. In 1992, low-income families earned, on average, \$4,893. This amount represented approximately 30.7 percent of the after-tax income of low-income families. In 2004, low-income families earned, on average, \$6,680, which was 35.4 percent of their total after-tax income. In 2005, the average earnings of low income families fell to \$5,613 or 31.6 percent of after-tax income. During this same period, the trend in government transfers was slightly upward, and transfers continued to play an important role as a source of family income for low-income families.

Fewer Canadian Children are Living on Social Assistance

While it is not a direct indication of increased labour force attachment, there was a significant decline in the number of families receiving social assistance during the late 1990s.

Figure 12 shows that between 1996 and 2005, the number of one-parent families relying on social assistance decreased by 54.6 percent (from 454,500 to 206,200 households). By 2006, the decline reached 55.2 percent (down to 203,400 households). Between 1996 and 2005, the number of two-parent families with children relying on social assistance decreased by 61.9 percent (from 177,400 to 67,600 households). By 2006, the decline reached 63.1 percent (down to 65,400 households). As a result, between 1996 and 2005, the overall number of children living in families relying on social assistance decreased by 56.2 percent (from 1,096,900 to 370,700).



480,700 children). By 2006, the decline reached 58.0 percent (down to 460,700 children).

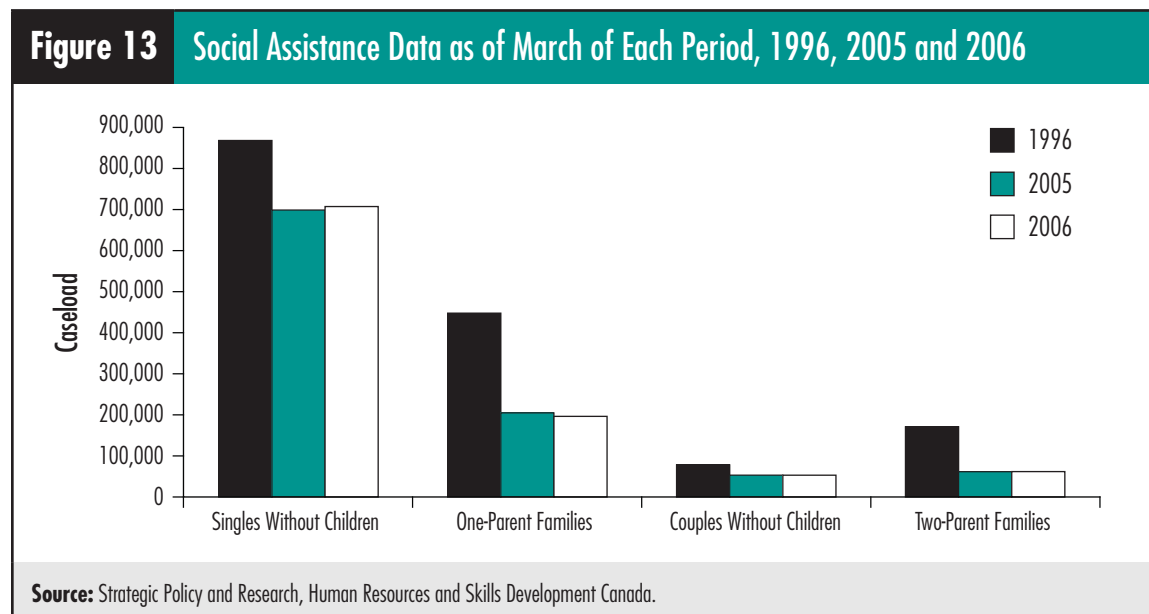
It is interesting to compare the reduction in social assistance caseloads for families with children with the situation of childless families. Figure 13 shows that between 1996 and 2006, the two-parent family social assistance caseload numbers decreased by 63.1 percent. By comparison, between 1996 and 2006, the caseload numbers for couples without children decreased by only 29.2 percent. Similarly, between 1996 and 2006, the caseload for one-parent families declined by 55.2 percent while the caseload numbers for singles without children declined by only 17.6 percent.

Economic growth in the late 1990s was one of the main reasons for the overall reduction in social assistance caseloads. In addition, welfare reform measures, including the restructuring of social assistance systems in several provinces as part of the NCB initiative, were a contributing

factor in the decline in the caseload of families with children. Finally, evidence from the federal/provincial/territorial evaluation of the NCB initiative suggests that the NCB was associated with social assistance caseload reductions.¹⁹

Summary

This chapter has shown that the incidence of low income among families with children has fallen significantly since the inception of the NCB initiative. From a peak of 17.6 percent in 1996 according to the post-tax LICOs, the incidence of low income among families with children fell to 10.5 percent in 2005. This represents a decrease of 40.3 percent from 1996 levels. With respect to the duration of low income, there were declines in the proportion of children experiencing low income in the 1996–1999, 1998–2001 and 2000–2003 periods but this trend reversed in the 2002–2005 period. The depth of low



¹⁹ See *Evaluation of the National Child Benefit Initiative: Synthesis Report* (2005), page 20, available on the NCB Web site at: www.nationalchildbenefit.ca.

income for families with children has increased slightly from \$7,820 in 1996 (expressed in 2005 dollars) to \$7,982 in 2005 according to the LICOs, or, from \$7,257 in 2000 (expressed in 2005 dollars) to \$7,646 in 2005 according to the MBM.

In terms of attachment to the labour market, the proportion of earnings from employment and the percentage of low-income families employed for pay were higher in 2004 than in 1996 but declined in 2005. Finally, the social assistance caseload for families with children continues to decline.

These indicators are important in monitoring the overall economic well-being of low-income families with children. However, the extent to which the NCB has contributed to these changes cannot be directly determined from the societal level indicators reported on in this chapter. They do not tell us the extent to which the NCB is responsible for changes in these trends. Chapter 5 will describe the direct contribution of the NCB in preventing and reducing the incidence and depth of low income among families with children.

Assessing the Direct Impact of the National Child Benefit Initiative



The previous chapter examined societal level indicators such as the incidence and depth of low income. This chapter reports on the direct impact of the income component of the National Child Benefit (NCB) initiative in making progress on its first goal, to help prevent and reduce the depth of child poverty.²⁰

The chapter presents evidence based on a simulation using the 2005 *Survey of Labour and Income Dynamics* (SLID). The simulation compares the actual NCB income benefits structure to a hypothetical scenario based on the benefits structure that existed prior to the NCB. This is the seventh in a series of simulations providing information to Canadians on the progress of the NCB. Five previous simulations were included in *The National Child Benefit Progress Report: 2001, 2002, 2004, 2005 and 2006*. A sixth simulation, *Impact of the National Child Benefit on the Incomes of Families with Children: A Simulation Analysis*, was released by Federal, Provincial, and Territorial Ministers Responsible for Social Services in August 2005.²¹

The Simulation Approach

The simulation presented in this chapter focuses on the income benefits component of the NCB initiative: both the federal NCB Supplement and provincial/territorial reinvestments and investments in income benefits. Although provincial, territorial and First Nations reinvestments and investments in non-income programs and services also contribute to the NCB goal of preventing and reducing the depth of child poverty, isolating the impact of these non-income programs and services is beyond the scope of this analysis.

The report presents a simulation of the direct impact of the NCB income benefits on the following three outcome indicators for the period from January to December 2005:

- the change in **number** and **incidence** of children as well as families with children living in low income;
- the average **change in disposable income** that families with children saw in 2005 as a direct result of the NCB; and,

²⁰ Analysis in chapters 4 and 5 does not include the Territories as Statistics Canada's *Survey of Labour and Income Dynamics* (SLID) is a household survey that currently excludes residents of the Yukon, the Northwest Territories and Nunavut, residents of institutions and persons living on Indian reserves.

²¹ This simulation was based on the 2001 data.

- the change in the **depth of low income**, or the low-income gap (the aggregate amount of income that low-income families would need to reach a predetermined low-income line).

The impact of the income benefits of the NCB is determined by comparing the difference in each of these outcome indicators under two different federal/provincial/territorial child benefit structures in 2005: the actual structure with the NCB initiative, and a simulated structure without the NCB initiative. The impact of NCB income benefits is measured as the difference between these two child benefit structures. This methodology captures an estimated \$2.15 billion of NCB income benefits. Key characteristics of these two child benefit structures are presented in Table 10.

This methodology has the advantage of isolating the impact of the income benefits of the NCB initiative on the three outcome indicators described above, while keeping other socio-economic variables such as the level of employment or earnings unchanged. However, the methodology used in this report cannot capture changes in the economic behaviour of low-income families with children which may have been caused

by the NCB. For example, on the one hand, the NCB may have encouraged low-income families to enter the workforce from social assistance. On the other hand, the NCB Supplement reduction rates may have had a negative impact on the number of hours worked by some workers. These dynamic effects are not captured by this methodology.

The application of the above methodology to the data from Statistics Canada's 2005 *Survey of Labour and Income Dynamics* (SLID) made it possible to assess the impact of NCB income benefits on families with children who were in receipt of the NCB Supplement. As discussed in Chapter 4, the MBM was developed in 1998 at the request of Federal, Provincial and Territorial Ministers responsible for Social Services specifically for the purpose of assessing the progress of the NCB initiative. Beginning this year, this chapter will analyse direct impacts of the NCB using the MBM. Analysis using post-tax Low Income Cutoffs (LICO) will be maintained for continuity with previous reports. Appendix 3 provides a detailed breakdown of these impacts as measured by Statistics Canada's post-tax Low-Income Measure (LIM) along with the MBM and post-tax LICO.

Table 10 Comparison of Two Federal/Provincial/Territorial Child Benefit Structures in 2005

Structure 1 Without NCB Initiative	Structure 2 With NCB Initiative
Maintain the Working Income Supplement (WIS) structure ^a	Introduce the NCB Supplement
No adjustments to provincial/territorial income support programs for increases in the NCB Supplement	Introduce adjustments to provincial/territorial income support programs for increases in the NCB Supplement
No provincial/territorial reinvestment programs and additional investments in income benefits directly related to the NCB initiative	Introduce provincial/territorial reinvestment programs and additional investments in child benefits and earned income supplements

^a The Working Income Supplement (WIS) was a federal program that preceded the NCB, providing income support to supplement the earning of low-income working families. The WIS was replaced in July 1998 by the NCB Supplement.

The NCB Reduced the Number of Families with Children Living in Low Income in 2005

The NCB initiative was responsible for preventing an estimated 78,800 families with 171,100 children from living in low income in 2005 (see Table 11), using the MBM. This is a 13.7 percent reduction in the number of families with children living in low income in 2005. Analysis of the 2005 SLID data indicates there

were an estimated 497,600 families with 970,600 children living in low income in 2005, representing 13.0 percent²² of all Canadian families with children. If the NCB had not been introduced, an estimated 576,400 families with 1,141,700 children would have lived in low income in 2005, translating into 15.1 percent of all families with children. Therefore, in 2005, the NCB reduced the number of families with children living in low income by 78,800 families, from 576,400 to 497,600 (a 13.7 percent reduction).

Table 11 Change in the Incidence of Low Income Among Families by Family Type Due to the NCB: January 2005 to December 2005

SLID 2005	One-Parent Families	Two-Parent Families	All Families ^a
MBM			
Decline in Number of Children Living in Low Income	53,300	116,500	171,100
Decline in Number of Families Living in Low Income	28,300	49,400	78,800
Percentage Change in Number of Families Living in Low Income	-10.7%	-16.0%	-13.7%
Decline in Incidence of Low Income Among Families with Children ^b	-3.6%	-1.6%	-2.1%
Post-Tax LICOs			
Decline in Number of Children Living in Low Income	70,400	74,100	144,500
Decline in Number of Families Living in Low Income	37,900	29,600	67,500
Percentage Change in Number of Families Living in Low Income	-16.7%	-12.9%	-14.7%
Decline in Incidence of Low Income Among Families with Children ^b	-4.9%	-1.0%	-1.8%

^a The "All Families" group includes one-parent, two-parent and other family types (e.g. children in foster homes). Children in other family types do not fall in the category of one- or two-parent families.

^b Decline in incidence of low-income is expressed in percentage points.

Source: Based on Statistics Canada Special Tabulations from the Survey of Labour and Income Dynamics (SLID) 2005.

²² The 13.0 percent refers to the percentage of families with children living in low income and receiving the NCB Supplement. By contrast, in Chapter 4, when considering all families with children, regardless of whether they receive the NCB Supplement, 13.5 percent were living in low income in 2005.

The final row of Table 11 indicates the percentage point decline in the incidence of low income brought about by the NCB in 2005. As indicated above, with the NCB in place, the incidence of low income for families with children in 2005 was 13.0 percent. Without the NCB, this incidence would have been 15.1 percent. Therefore, the NCB was responsible for a 2.1 percentage point decrease in the incidence of low income among families with children.

As indicated in Table 11, the overall reduction of 13.7 percent can be further broken down into a 10.7 percent reduction in the number of lone-parent families living in low income, and a 16.0 percent reduction in the number of two-parent families living in low income. In 2005, the incidence of low income was higher among lone-parent families than two-parent families. There were an estimated 236,700 lone-parent families with 434,000 children living in low income, representing 30.4 percent of all lone-parent families. By comparison, only 8.6 percent (or an estimated 259,500) of two-parent families with 534,500 children were living in low income in 2005.

The NCB has made a more significant contribution to the decline in the incidence of low income for lone-parent families than for two-parent families. Without the NCB, an estimated 265,000 lone-parent families with 487,400 children would have lived in low income, translating into 34.0 percent of all lone-parent families with children.

With the NCB, the incidence of low income for lone-parents was 30.4 percent, indicating that the NCB reduced the incidence of low-income by 3.6 percentage points.

Among two-parent families, the incidence of low income declined by 1.6 percentage points in 2005 due to the NCB. If the NCB had not been introduced, an estimated 308,800 two-parent families with 651,000 children would have lived in low income in 2005, translating into 10.2 percent of two-parent families with children. With the NCB, the incidence of low income for two-parent families was 8.6 percent.

Analysis based on LICO data shows similar impacts.²³ Using the LICO, the NCB initiative was responsible for preventing an estimated 67,500 families with 144,500 children from living in low income in 2005 (see Table 11). This is a 14.7 percent reduction in the number of families with children living in low income in 2005. Analysis of the 2005 SLID data indicates there were an estimated 391,670 families with 770,128 children living in low income in 2005, representing 10.3 percent²⁴ of all Canadian families with children. If the NCB had not been introduced, an estimated 459,215 families with 914,646 children would have lived in low income in 2005, translating into 12.0 percent of all families with children. Therefore, according to LICO data from 2005, the NCB reduced the number of families

²³ As discussed in Chapter 4, MBM shows a higher rate of low-income than that obtained using post-tax LICOs as the definition of disposable income used when comparing families' income to the MBM low-income threshold is more comprehensive than the definition of disposable income used by the LICOs. As a result, the MBM subtracts more items from gross income than the LICOs.

²⁴ The 10.3 percent refers to the percentage of families with children living in low income and receiving the NCB Supplement. By contrast, in Chapter 4, when considering all families with children, regardless of whether they receive the NCB Supplement, 10.5 percent were living in low income in 2005.

with children living in low income by 67,500 families, from 459,215 to 391,670 (a 14.7 percent reduction).

As with the MBM, LICO data show that the incidence of low income for lone-parent families was greater than for two-parent families. Without the NCB, an estimated 227,501 lone-parent families with 421,083 children would have lived in low income, translating into 29.2 percent of all lone-parent families with children. With the NCB, the incidence of low income for lone parents was 24.3 percent, indicating that the NCB reduced the incidence of low-income by 4.9 percentage points. Among two-parent families, the incidence of low income declined by 1.0 percentage points in 2005 due to the NCB. If the NCB had not been introduced, an estimated 230,017 two-parent families with 491,132 children would have lived in low income in 2005, translating into a 7.6 percent reduction of two-parent families with children.

The NCB Improves Disposable Incomes of Low-Income Families with Children

NCB income benefits have reduced the number of families with children living in low income by improving their disposable income. Statistics Canada's 2005 *Survey of Labour and Income Dynamics* (SLID) was used to simulate the average increase in the level of disposable income that families with children saw as a direct result of NCB income benefits. As shown in Table 12,

these increases in disposable income were estimated for three groups of families in 2005:

- families with children who were prevented from living in low income as a direct result of the NCB Supplement;
- families with children who remained in low income despite receiving the NCB Supplement; and
- all other families with children who received the NCB Supplement in 2005 (i.e., families who were above the MBM low-income threshold with or without the NCB Supplement).

As indicated in Table 12, for those families with children who were prevented from living in low income in 2005 due to the NCB, disposable incomes were, on average, \$2,400 higher than they would have been in the absence of the NCB initiative. This represents an increase of 9.5 percent in their disposable incomes.²⁵

For those families with children who remained in low income, despite receiving the NCB Supplement in 2005, the NCB resulted in disposable incomes being, on average, \$1,900 higher than what they would have been in the absence of the NCB initiative. This represents an increase of nearly 10.7 percent in their disposable incomes.²⁶

Finally, for those other families with children who received the NCB Supplement (i.e., families with children above the MBM low-income threshold with or without the NCB Supplement), disposable incomes rose,

²⁵ For those families with children who were prevented from living in low income due to the NCB in 2005, average, annual after-tax income was \$28,300. Without the NCB in place, average, annual after-tax income would have been \$25,900.

²⁶ For those families with children who remained in low income during 2005, average, annual after-tax income was \$19,100. Without the NCB in place, average, annual after-tax income would have been \$17,300.

Table 12**Change in Disposable Incomes Due to the NCB Among Families with Children by Family Type: January 2005 to December 2005**

SLID 2005	One-Parent Families	Two-Parent Families	All Families
MBM			
Were Prevented from Living in Low Income in 2005			
Increase in Disposable Income	\$2,100	\$2,700	\$2,400
Percentage Increase in Income	9.4%	9.6%	9.5%
Remained in Low Income in 2005			
Increase in Disposable Income	\$1,700	\$2,000	\$1,900
Percentage Increase in Income	10.9%	10.6%	10.7%
Other Families Who Received NCB Supplement in 2005			
Increase in Disposable Income	\$1,200	\$1,100	\$1,100
Percentage Increase in Income	3.1%	2.7%	2.9%
Post-Tax LICOs			
Were Prevented from Living in Low Income in 2005			
Increase in Disposable Income	\$2,300	\$3,000	\$2,600
Percentage Increase in Income	10.0%	10.0%	10.0%
Remained in Low Income in 2005			
Increase in Disposable Income	\$1,700	\$2,200	\$1,900
Percentage Increase in Income	11.1%	11.3%	11.2%
Other Families Who Received NCB Supplement in 2005			
Increase in Disposable Income	\$1,200	\$1,200	\$1,200
Percentage Increase in Income	3.0%	3.0%	3.0%

Source: Based on Statistics Canada Special Tabulations from the Survey of Labour and Income Dynamics (SLID) 2005.

on average, \$1,100 due to the NCB. This represents an increase of about 2.9 percent in their disposable incomes.²⁷

Similar trends are observed using the LICO thresholds (as indicated in Table 12). For those families with children who were prevented from living in low income in 2005 due to the NCB, disposable incomes were, on average, \$2,600 higher than they would

have been in the absence of the NCB initiative. This represents an increase of 10.0 percent in their disposable incomes.²⁸

For those families with children who remained below the LICOs, despite receiving the NCB Supplement during 2005, the NCB resulted in disposable incomes being, on average, \$1,900 higher than what

²⁷ For families who were above the low-income threshold, with or without the NCB, average, annual after-tax income was \$40,100. Without the NCB in place, average, annual after-tax income would have been \$39,000.

²⁸ For those families with children who were prevented from living in low income due to the NCB in 2005, average, annual after-tax income was \$28,500. Without the NCB in place, average, annual after-tax income would have been \$25,900.

they would have been in the absence of the NCB initiative. This represents an increase of nearly 11.2 percent in their disposable incomes.²⁹

For those other families with children who received the NCB Supplement (i.e., families with children above the LICO threshold with or without the NCB Supplement), disposable incomes rose, on average, \$1,200 due to the NCB. This represents an increase of about 3.0 percent in their disposable incomes.³⁰

The NCB Reduced the Low-Income Gap for All Families

The NCB reduced the depth of low income, or low-income gap, for families

with children who received the NCB Supplement in 2005. As indicated in Table 13, NCB income benefits closed the MBM low-income gap by a total of \$1 billion, or 20.4 percent in 2005. The LICO low-income gap was closed by a total of \$840 million, or 20.9 percent in 2005.

- The simulation found that NCB income benefits decreased the MBM low-income gap by \$420 million for lone-parents living in low income, a reduction of 21.1 percent (a reduction of \$370 million or 22.1 percent using the LICO).
- For two-parent families, the MBM low-income gap was closed by \$590 million, a reduction of 20.0 percent (a reduction of \$470 million or 20.1 percent using the LICO).

Table 13 Change in Depth of Low Income Due to the NCB Among Families Remaining in Low Income: January 2005 to December 2005			
SLID 2005	One-Parent Families	Two-Parent Families	All Families
MBM			
Decline in Low Income Gap (in millions of dollars)	\$420	\$590	\$1,010
Percentage Change in Low Income Gap	-21.1%	-20.0%	-20.4%
Post-Tax LICOs			
Decline in Low Income Gap (in millions of dollars)	\$370	\$470	\$840
Percentage Change in Low Income Gap	-22.1%	-20.1%	-20.9%
Source: Based on Statistics Canada Special Tabulations from the Survey of Labour and Income Dynamics (SLID) 2005.			

²⁹ For those families with children who remained in low income during 2005, average, annual after-tax income was \$19,200. Without the NCB in place, average, annual after-tax income would have been \$17,300.

³⁰ For families who were above the low-income threshold, with or without the NCB, average, annual after-tax income was \$41,700. Without the NCB in place, average, annual after-tax income would have been \$40,500.

The NCB Helps Low-Income Working Families

In addition to preventing and reducing the depth of child poverty, the NCB was designed to encourage families to leave social assistance for work by improving their incomes and maintaining child benefits when they join the labour force. The previous analysis identified the impact of the NCB on all families that received NCB income benefits. This section examines the impact of the NCB on families who were working during 2005.

Results of the direct impact analysis of the NCB indicate that of the 71,500 working families with children who were prevented from living below the MBM thresholds in 2005 due to the NCB, disposable incomes were, on average, \$2,500 higher than they would have been in the absence of the NCB initiative. This represents an increase of 9.7 percent in their disposable incomes.³¹

The NCB has also made a significant contribution to improving the level of disposable income for the estimated 328,100 working families who remained in low income during 2005. As a direct result of the NCB, disposable incomes of these families were on average \$2,200 higher than they would have been in the absence of the NCB initiative. This represents an increase of more than 13.0 percent in disposable incomes in 2005.³² As such,

families who remained below the MBM low-income threshold in 2005 were, on average, \$2,200 closer to the income level above which they would no longer be considered low-income families. The “low-income gap” was reduced for these families by \$814 million in 2005, representing a decline of 21.9 percent.

Finally, there were 473,900 additional working families who received the NCB Supplement but were not living in low income in 2005 (with or without the NCB). As a result of the NCB, these families saw their incomes increase on average by \$1,170 or 3.0 percent.³³

Using post-tax LICO data, results of the direct impact analysis of the NCB indicate that of the 55,100 working families with children who were prevented from living below the LICO in 2005 due to the NCB, disposable incomes were, on average, \$2,700 higher than they would have been in the absence of the NCB initiative (representing an increase of 10.0 percent in their disposable incomes).

In addition, findings using the LICO show the NCB initiative increased the disposable incomes of the estimated 247,124 working families who remained in low income during 2005 by \$2,400 (an increase of more than 14.0 percent). This resulted in the “low-income gap” for these families being reduced by \$663 million in 2005 (representing a decline of 22.8 percent).

³¹ For those working families who were prevented from living in low income in 2005 due to the NCB, average, annual after-tax income was 28,600. Without the NCB in place, average, annual after-tax income would have been \$26,100.

³² For those working families who remained in low income in 2005, average, annual after-tax income was \$19,300. Without the NCB in place, average, annual after-tax income would have been \$17,100.

³³ For those working families who were above the low-income threshold with or without the NCB in 2005, average, annual after-tax income was \$39,900. Without the NCB in place, average, annual after-tax income would have been \$38,800.

Finally, according to the LICO, there were 571,334 additional working families who received the NCB Supplement but were not living in low income in 2005 (with or without the NCB). As a result of the NCB, these families saw their incomes increase on average by \$1,260 or 3.1 percent.

Summary

This chapter assesses the direct impact of the NCB initiative's income benefits component. A simulation approach is used to compare the actual NCB income benefits structure to a hypothetical scenario based on the benefits structure that existed prior to the NCB.

According to this simulation, the NCB initiative was responsible for preventing an estimated 78,800 families with 171,100 children from living below MBM low-income thresholds in 2005, a 13.7 percent reduction in the incidence of low income among families with children. The NCB increased the disposable incomes of these families by an average of 9.5 percent, or \$2,400. Further, the NCB narrowed the low-income gap for all families with children. The combined amount of income that would be required for all low-income families to reach the MBM threshold was reduced by 20.4 percent or \$1 billion in 2005 as a result of the NCB.

The Way Ahead



Through the collaboration of federal, provincial and territorial governments and First Nations, the National Child Benefit (NCB) initiative has established the key components of an integrated child benefit system. This system has resulted in a stronger national platform of child benefits, along with additional benefits and services provided at the provincial and territorial levels and by First Nations.

Since 1997, the Government of Canada has increased the level of benefits paid to low-income families with children in July of each year. As of July 2009, annual federal support to Canadian families with children delivered through the Canada Child Tax Benefit (CCTB) system is projected to reach \$9.5 billion. The objective of replacing the child portion of social assistance benefits with an income-tested benefit for all low-income families has largely been achieved. As illustrated in Table 14 by 2008–2009, the amount of total federal child benefits for which low-income families are eligible will have increased by well over 100 percent from the 1996–1997 level,

before the NCB was launched. Cost of living increases to the NCB Supplement will continue.

The benefits and services that provinces, territories and First Nations provide under the NCB initiative are important components of the system. These investments have been expanded since the NCB was established and have benefited from jurisdictions' shared knowledge and experiences. Several jurisdictions have restructured their child benefit systems, most recently Ontario and Manitoba in 2007.

Federal, provincial and territorial cooperation has been key to the success of the NCB initiative. All jurisdictions remain committed to working toward improving the situation of families in Canada, and informing Canadians about progress made. A process to evaluate the NCB initiative is underway and is tentatively scheduled for completion in December 2009. In addition, INAC is currently undertaking an evaluation of the First Nations NCB initiative.

Table 14 Maximum Levels of Federal Child Benefits for 1996–1997 and 2008–2009 Program Years (July to June) in Current Dollars^a

Number of Children	1996–1997 Maximum CTB + WIS	2008–2009 CCTB Maximum Base Benefit + NCB Supplement	Percentage Increase from 1996–1997 to 2008–2009
1	\$1,520	\$3,332	119%
2	\$2,540	\$6,431	153%
3	\$3,635	\$9,533	162%
4	\$4,730	\$12,635	167%

^a Current dollars are in the actual dollars in a given year, and are not adjusted for inflation.

Glossary



Canada Child Tax Benefit (CCTB):

A federal income support program for Canadian families with children that is delivered through the income tax system. The CCTB includes two components: a base benefit for low- and middle-income families with children, and the National Child Benefit (NCB) Supplement, which provides additional support to low-income families with children.

Depth of Low Income: The additional amount of income a low-income family would need to reach a pre-determined line, such as Statistics Canada's Low-Income Cut-Offs (LICOs), the Low-Income Measure (LIM), or the Market Basket Measure (MBM).

Disposable Income: The income that a family has left after paying personal income taxes and other payroll deductions, such as Canada Pension Plan contributions and Employment Insurance premiums.

Earnings Supplements: Payments by governments to families that top up work-related earnings. Earnings supplement programs are often targeted to low-income working families, and they provide benefits based on the number of children in a family.

Incidence of Low Income: The proportion of families with children with annual income falling below a pre-determined line, such as Statistics Canada's LICOs, the LIM, or the Market Basket Measure (MBM).

Indicators: In the context of this report, indicators are statistics that assess how well Canadian families are faring.

Societal Level Indicators measure areas such as low income and labour force attachment and do not assume that any changes are necessarily caused by the NCB.

Direct Outcome Indicators, on the other hand, measure only those changes that are directly caused by the NCB.

Market Basket Measure (MBM):

An additional research tool for governments and other interested Canadians to use in analyzing low income. The MBM provides a new perspective on low income, as it is based on a specific transparent basket of goods and services. The MBM identifies disposable income levels that are required to purchase this basket of goods and services in various communities across Canada. Compared with Statistics Canada's Low-Income Cut-Offs (LICOs) and Low Income Measure (LIM), the MBM is a more precise reflection of differing living costs by geographic location.

National Child Benefit (NCB): A joint federal, provincial and territorial government initiative designed to support low-income families with children. It includes increased federal income support plus provincial, territorial and First Nations

reinvestments and additional investments in programs and services. The NCB began in July 1998.

NCB Reinvestment Funds: Comprise social assistance/child benefit savings and, in some jurisdictions, Children’s Special Allowance (CSA) recoveries. Provinces and territories have the flexibility to adjust social assistance or child benefit payments by an amount equivalent to the NCB Supplement. These savings can then be reinvested to provide funding for new or enhanced programs, benefits and/or services to meet local needs and priorities (see Appendix 2 for further details).

NCB Investment Funds: Comprise additional funds that some jurisdictions devote to the NCB, over and above the reinvestment funds.

NCB Supplement: The federal contribution to the NCB Initiative—a monthly payment targeted to low-income families to help with the costs of raising children. It is a component of the CCTB.

SLID, or the **Survey of Labour and Income Dynamics:** A longitudinal labour market and income survey to study changes over time in Canadians’ labour force status and economic well-being.

Social Assistance (SA): A needs-tested, last-resort system of income support administered by provincial and territorial governments. It is commonly known as welfare.

The Welfare Wall: Describes an array of barriers that can make it less financially attractive for people to move from social assistance to the labour market due to the loss of income or services.

Working Income Supplement (WIS): A federal program that preceded the NCB. It provided income support to supplement the earnings of low-income working families with children. The WIS was replaced in July 1998 by the NCB Supplement. Some provinces and territories have reinvested NCB funds in their own versions of an earned income supplement.

Provincial, Territorial and First Nations National Child Benefit Reinvestments and Investments



This appendix provides information on the National Child Benefit (NCB) reinvestments and investments that jurisdictions³⁴ have undertaken. Some of these reinvestments and investments are new programs or services, while others are enhancements to existing programs. This appendix includes descriptions, actual expenditure data for 2004–2005 and 2005–2006, and estimated expenditure data for 2006–2007 and 2007–2008.

There are two sources of funds for NCB initiatives: reinvestment funds and investment funds. The data presented in this appendix represents the total of reinvestment and, where applicable, investment funds.

Reinvestment funds result from savings related to the federal NCB Supplement that free up provincial and territorial funds previously used for social assistance. Some jurisdictions make adjustments to their social assistance payments based on the NCB Supplement. The amount of the

adjustment then becomes available for reinvestment. Other jurisdictions have restructured social assistance to implement income-tested child benefits delivered outside of social assistance. Among these jurisdictions, some adjust their child benefits to match, in whole or in part, the NCB Supplement, while some do not make any adjustment. For those that make an adjustment related to the NCB Supplement, funds available for reinvestments increase along with the NCB Supplement. For those that do not make such adjustments, funds available for reinvestments are deemed to be “fixed” to the amount of savings at the time their system was restructured. That amount is available for reinvestment each year.

Investment funds are additional funds that some jurisdictions have chosen to devote to the NCB initiative, over and above the reinvestment amounts.

³⁴ This report does not include data for Quebec. Quebec residents benefit in the same way as other Canadians from the Canada Child Tax Benefit. Moreover, they benefit from substantial investments made by the Quebec government, in the context of its family policy, in services for families with children.

Sources of Reinvestment Funds

There are two sources of reinvestment funds:³⁵

1. Social Assistance/Child Benefit Adjustments

Chapter 3 provides a summary of the various approaches that have evolved with respect to the adjustment of social assistance benefits and child benefits through the NCB.

2. Children's Special Allowance Adjustments

The Children's Special Allowance is paid on behalf of children who are in the care of provincial/territorial child welfare authorities. It mirrors the maximum Canada

Child Tax Benefit payments, including the NCB Supplement. Jurisdictions have the option to either recover, or pass on the increased NCB Supplement amount to child welfare authorities for child maintenance costs. Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan and Alberta have chosen to recover the increased amount, and it is considered to be part of NCB reinvestment funds.

³⁵ Between July 1998 and June 1999, a third source of reinvestment funds was Transitional Assistance. It ensured that no families that previously received the Working Income Supplement experienced a reduction in the overall benefits they received as a result of the introduction of the NCB Supplement.

Newfoundland and Labrador

In Newfoundland and Labrador, the NCB initiatives have improved the well-being of low-income families in the province. These initiatives promote labour market attachment for low-income families and support early childhood and youth initiatives to improve the well-being of young people living in low-income families.

There was no adjustment to Income Support benefits in 1998–1999. The NCB Supplement was not deducted from benefits provided to families in receipt of Income Support. As a result, all programs funded under the NCB Initiatives in 1998–1999 were investments by the province.

As a result of the second increase in the NCB Supplement in 1999, the Income Support Program was redesigned, resulting in the introduction of the Newfoundland and Labrador Child Benefit (NLCB). Income Support benefits were reduced for families with dependent children as basic benefits for children were removed from the allowance. However, the reduction was offset by the 1999 increase in the NCB Supplement and the new NLCB, which all low-income families receive, including families in receipt of Income Support. All families in receipt of Income Support realized an increase in their monthly income.

Newfoundland and Labrador's NCB reinvestments and investments include:

Newfoundland and Labrador Child Benefit (NLCB) (Reinvestment) –

This is a provincial child benefit paid to all low-income families in Newfoundland and Labrador. The NLCB is administered by the Canada Revenue Agency on behalf of the province, and payments are included

in the Canada Child Tax Benefit cheque. In 2001–2002 and 2002–2003, as a result of slippage in program expenditures because of an improved economy, making fewer families eligible for this benefit, the income threshold of the NLCB was increased to follow increases in the NCB Supplement. In 2003–2004, the slippage in the program expenditure was used to increase the first child rate by \$12 per year. In both 2004–2005 and 2005–2006, the slippage in the program expenditure was used to increase the first child rate by \$12 per year and to offset the cost of indexing the Newfoundland and Labrador Child Benefit. In 2006–2007, the slippage in program expenditure was used to increase the first child rate by \$7 per year by offsetting the cost of indexing the NLCB. In 2007–2008, the first child rate was indexed and had a rate increase of \$60 which resulted in a total annual increase of \$64.92.

In December 2001, the **Mother Baby Nutrition Supplement (MBNS)** was added as an additional benefit to the NLCB in the form of a nutritional supplement of \$45 per child per month, for children under one year of age living in families eligible for at least \$1 of NLCB. This benefit is funded through redirecting funds from the Income Support Program into the NLCB. In 2007–2008 the MBNS was increased to \$60 per child per month.

Note: The pre-natal portion of the MBNS, of \$45 per month per family, was also part of the Income Support Program. This was also removed from the Income Support Program and is delivered as an income-tested benefit outside the Income Support Program. Funding for this initiative is provided through funds redirected

from the Income Support Program and through funding from the Early Childhood Development Initiative. In 2007–2008 the pre-natal portion of the MBNS was also increased to \$60 per month per family.

Unlicensed Child Care (Investment) –

This initiative increases financial support to families with dependent children who require child care in order to seek and retain employment or are involved in post-secondary pursuits, but for various reasons, cannot access licensed child care. This service increases benefits to families receiving Income Support and ensures families are not worse off as a result of going to work. This initiative came into effect October 1, 1998.

Family Home Child Care Agencies

(Investment) – Refers to community-based, non-profit organizations that recruit, support, approve and monitor regulated child care services in private family homes. The agency is licensed to approve individual homes according to standards provided by the Regional Health Authorities. In Newfoundland and Labrador, two family home child-care agencies receive NCB funding.

Child Care Subsidy Program

(Investment) – NCB funding builds on the base provincial allocation for the Child Care Subsidy Program. The program is income-tested and available to families in receipt of benefits from the Income Support Program and to low-income families (net income up to \$25,000). NCB funding has made it possible to increase the subsidy rate and to provide greater access for families to subsidized regulated child care spaces. The funding also supports transportation costs on behalf of the families where a child care subsidy applies.

Funding to Centres (Investment) –

NCB funding supports the provision of annual equipment grants to licensed child-care centres. This component assists in supporting quality care in licensed group care.

School-Based Infant Care (Investment) –

This initiative offers group infant child care in high schools at no cost for students who require on-site care and increased support to continue their high school education. This initiative combines access to quality child care services and direct supportive assistance to parents attending high school. During the school day, the teen parents are encouraged to spend breaks and free time in the centre for purposes of interacting with their baby and to gain insights and support on parenting skills. Transportation to and from the school for babies and parents is also provided.

Early Childhood Education Certification (Investment) –

This component supports two ongoing initiatives: (1) the provision of courses for people employed in licensed child-care facilities that require either Level I or Level II Early Childhood Education to meet legislation standards; and (2) the Registrar of Certification Office for Early Childhood Educators, which maintains a system of registration and provides orientation courses for early childhood educators. Both of these initiatives are intended to support educational requirements of early childhood educators who are or who wish to become employed in licensed care services.

Child Care Service Consultants

(Investment) – On an annual basis, NCB funding supports six Child Care Consultant positions in the province. These positions are located across the province within

Regional Health Authorities. These positions add to the licensing, support and child-care expertise available in the province.

Extended Drug Card Program

(Investment) – This initiative extends the health-care benefits to six months for individuals/families leaving the Income Support Program for employment. This initiative helps recipients make the transition from dependence on Income Support to employment. As of 2007–2008, with the introduction of the Low Income Drug Program, this program is now administered by the Department of Health and Community Services.

Family Resource Programs (Investment) –

Family resource programs are community-based services that are designed to provide a range of drop-in support services and learning activities for young children and their families. Objectives of the services are to improve child development outcomes, to support adults in their respective caregiving roles, and to increase community involvement in the support available for young children and families. The target group is primarily children up to six years of age (and up to 12 where needed), pregnant women, parents, family members and other caregivers. Healthy baby clubs are a specific service that is provided through family resource programs or other similar community-based services. Healthy baby clubs are prenatal programs that provide a range of one-on-one and group services to pregnant women to help support the best possible birth outcome. Particular emphasis is placed on nutrition, healthy lifestyle and personal support. NCB funding supports nine family resource programs, including healthy baby clubs (seven of the family

resource programs operate with a main hub site and several satellite service sites).

Intervention Program Supports

(Investment) – Intervention Program

Supports encompass two initiatives: (1) support for implementation of home-based early intervention services for families with children under age 6 years and with significant delay or disabilities, including intensive intervention services for children diagnosed with autism spectrum disorder; and (2) enhancement to the Special Child Welfare Allowance for eligible families with children with disabilities who require additional support in the home environment. These combined activities are designed to support families who have children with special needs and require additional supports to improve both child and family outcomes.

Child, Youth and Family Services

(Reinvestment) – These programs and services are designed to support the safety, health and well-being of children, youth and families. They include support services for families, protection intervention (including children in care), youth services and adoptions.

Community Youth Network

(Investment) – The Community Youth Network provides community-based facilities for youth aged 12 to 18 years, in addition to offering programs and services to other ages from 5 to 29 years. There are fifteen hub sites with an additional 12 satellites throughout the province, all with the capacity to serve several other communities within their respective catchment areas. This initiative aims to provide services and support along four business lines: learning, employment, community building and services. Services and support are

provided in youth-friendly settings that combine many positive strategies to encourage youth participation and learning. Programs that involve intensive one-on-one support and skill development, group social, academic, recreational, and leadership approaches are used to enhance the lines of business. The projects are run by community coalitions (including youth participation); they are designed to build partnerships and support young people, especially youth who require increased assistance to achieve success in life. The Community Youth Network is very highly regarded at the community level, and an independent formative evaluation of the initiative has been completed.

Residential/Mental Health Services

(Investment) – This refers to annual funding provided to Regional Health Authorities to support youth aged 12 to 18 years. At the regional level, the funding is allocated to residential and mental health services as needed to increase support to youth-at-risk and to provide preventive, community-based solutions for young people.

Project Administration (Investment) –

This is funding reserved to support overall administration of the NCB programs, services and initiatives that fall under the responsibility of the Department of Health and Community Services.

Table 15 Newfoundland and Labrador: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
Newfoundland and Labrador Child Benefit (NLCB) ^a	8,155	8,328	8,075	8,782
Child/Day Care				
Unlicensed Child Care	600	600	600	600
Family Home Child Care Agencies	252	250	251	254
Child-Care Subsidy Program	1,736	1,736	1,736	1,737
Funding to Centres	197	251	253	253
School-Based Infant Care	49	66	84	84
Early Childhood Education Certification	84	78	106	120
Child Care Service Consultants	320	320	320	320
Supplementary Health Benefits				
Extended Drug Card Program	793	975	953	1,069
Early Childhood/Children-at-Risk Services				
Family Resource Programs	1,593	1,690	1,690	1,690
Intervention Program Supports	1,206	1,101	1,000	1,258
Child, Youth and Family Services	1,217	1,700	2,627	2,647
Youth Initiatives				
Community Youth Network	1,412	1,417	1,417	2,067
Residential/Mental Health Services	964	964	964	964
Other NCB Programs, Benefits & Services				
Project Administration	174	226	176	208
Total	18,752	19,701	20,253	22,052

^a Mother Baby Nutrition Supplement was added to the NLCB in December 2001. Funding for this initiative is provided through redirecting funds from the Income Support Program into the Newfoundland and Labrador Child Benefit.

Note: Totals may not add due to rounding.

Table 16**Newfoundland and Labrador: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

NCB Initiatives by Program Name ^a	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Newfoundland and Labrador Child Benefit	18,834	29,306	18,246	28,393	17,329	27,072	16,258	25,297
Unlicensed Child Care ^b	366	525	291	411	291	411	252	358
School-Based Infant Care	n/a	10	n/a	8	n/a	8	n/a	6
Extended Drug Card Program ^b	600	883	780	1,257	780	1,257	957	1,523
Family Resource Programs ^b	2,601	2,748	2,500	3,200	2,629	3,108	2,629	3,108
Community Youth Network	3,567	8,469	3,480	7,974	3,501	8,140	4,300	11,240

^a Programs with no available data are not listed.

^b Represents monthly average.

Note: n/a indicates the data for this category is not available.

Prince Edward Island

In Prince Edward Island, the NCB has had a dual focus: to support parents to join and remain in the workforce and to enhance early childhood services. Prince Edward Island has put in place a number of reinvestment initiatives that serve both purposes.

Prince Edward Island adopted the social assistance offset approach when the program originated. This means the province treated the NCB Supplement as an unearned income charge against social assistance until 2001. Therefore, the province deducted the amount of the NCB Supplement from the social assistance entitlement to families with children. Since 2001, any increases in the NCB Supplement have been used to fund an equal increase in the Healthy Child Allowance, a social assistance benefit.

As part of a strategic planning initiative, Prince Edward Island will examine traditional allocation of NCB dollars, and potentially realign funding to clearly support provincial social objectives as well as NCB goals.

Prince Edward Island reinvestments and investments include:

PEI Child Care Benefit – An enhancement to the Child Care Subsidy Program. This benefit has provided increased access and financial support for licensed child care for Island children.

PEI Family Health Benefit – This program helps lower income families with the cost of prescription drugs. Eligibility is based on family size and net family income for the previous year.

Looking After Children – NCB funds have been key to implementing this project for the delivery of services to children in public care. The project has included the development of research-based policies, training for care providers, materials and review processes.

Children-in-Care Initiatives – NCB funds have also been used to support the delivery of children-in-care services to children in Prince Edward Island.

Children's Mental Health – NCB has provided the funding necessary to establish a new multi disciplinary children's mental health clinical team. This team provides an improved response to Island families who have children with complex mental health problems.

Healthy Child Allowance – This is a social assistance benefit payable to families with children under the age of 18 to provide for participation in sport, recreation and/or cultural activities. Effective August 2007, the benefit increased to \$99 per month (from \$95/month).

Employment Enhancement and Job Creation Programs – NCB funds have been used to help increase activity under these programs. The NCB contribution has enabled parents on social assistance to upgrade their job skills and obtain employment. Effective 2005–2006, this program was funded by the Department of Development.

Literacy/Adult Basic Education Program – One of the stepping stones to independence is literacy. This program, delivered by the PEI Institute of Adult and Community Education, has helped make adult literacy education available at the community level.

NCB funds annually help low-income parents to take advantage of this program.

Family Legal Aid Program – This program provides legal services to low-income custodial parents and their children to determine

matters of custody and access/support in relation to matters of family law. Effective 2006–2007, due to restructuring of the Department of Social Services and Seniors, this program is funded from other sources.

Table 17 Prince Edward Island: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child/Day Care				
PEI Child-Care Benefit	700	700	700	700
Supplementary Health Benefits				
PEI Family Health Benefit	250	250	250	254
Early Childhood/Children-at-Risk Services				
Looking After Children	50	50	50	50
Children-in-Care Initiatives	450	450	450	450
Children’s Mental Health	250	250	250	250
Healthy Child Allowance	1,513	1,753	1,899	1,905
Other NCB Programs, Benefits & Services				
Employment Enhancement and Job Creation Programs ^a	200	–	–	–
Literacy/Adult Basic Education Program	100	100	100	100
Family Legal Aid Program ^b	80	80	–	–
Total	3,593	3,633	3,699	3,709

^a As of 2005–2006, this program is funded through the Department of Development and Technology.

^b As of 2006–2007, the Department of Social Services and Seniors and the Department of Health were restructured and this program is now funded from other sources.

Note: Totals may not add due to rounding.

Table 18
Prince Edward Island: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
PEI Child-Care Benefit ^a	1,300	2,000	1,450	2,200	1,350	2,050	1,400	2,100
PEI Family Health Benefit	550	750	560	890	550	900	550	960
Looking After Children	156	170	160	180	150	170	130	140
Children-in-Care Initiatives	260	290	265	295	250	280	210	235
Children’s Mental Health	1,200	1,300	1,200	1,300	n/a	1,100	n/a	980
Healthy Child Allowance	2,150	2,350	1,150	2,100	960	1,820	850	1,600
Employment Enhancement and Job Creation Programs ^b	100	200	–	–	–	–	–	–
Literacy/Adult Basic Education Program	100	n/a	100	n/a	100	n/a	60	n/a
Family Legal Aid Program ^c	25	30	25	–	–	–	–	–

^a Numbers include families and children assisted from all provincial sources of funds.

^b As of 2005–2006, this program is funded through the Department of Development and Technology.

^c As of 2006–2007, the Department of Social Services and the Department of Health were restructured and this program is now funded from other sources.

Note: n/a indicates the data for this category is not applicable.

Nova Scotia

Nova Scotia has made significant progress in addressing child poverty and supporting parents to join and remain in the workforce as part of the joint federal, provincial and territorial NCB initiative. The Nova Scotia government has expanded and strengthened programs and services to help low-income families with children.

Over the past several years, Nova Scotia has demonstrated its commitment to the health and well-being of its children in a number of ways. The province's commitment remains strong with total spending on NCB programs of \$26.5 million during 2006–2007.

In 2001, Nova Scotia enhanced the Nova Scotia Child Benefit and introduced a new *Employment Support and Income Assistance Act*. Together, these developments have contributed to a significant overall improvement in the health and well-being of low-income families with children in Nova Scotia.

Although Nova Scotia has moved forward in addressing the issue of child poverty, the government recognizes that more needs to be done. The province is committed to the reduction and prevention of child poverty and continues to work toward that objective with the introduction of the Low-Income Pharmacare for Children's Program and the development of a Poverty Reduction Strategy.

Nova Scotia's NCB initiatives include:

Nova Scotia Child Benefit – In 1998, the government established the Nova Scotia Child Benefit to provide low-income families with monthly payments to assist them with

the cost of raising children under 18 years of age.

This benefit is fully funded by the province and is provided in addition to the NCB Supplement. The Nova Scotia Child Benefit is delivered as a combined payment with the CCTB and the NCB Supplement. In 1999, the Nova Scotia government promised that any future increases to the NCB Supplement would flow directly through to families.

In July 2001, as part of Nova Scotia's redesign of its social assistance system, children's benefits were removed from social assistance. This policy change meant that parents with low incomes would receive child benefits from both governments whether or not they were receiving income assistance. The Nova Scotia Child Benefit was enhanced in 2001 to provide a maximum annual benefit of \$445 for the first child, \$645 for the second child and \$720 for third and each additional child in low-income families. The Nova Scotia Child benefit made a substantial increase to the household incomes of low-income families and helped with the costs of raising a child.

The Nova Scotia Child Benefit also made it easier for parents to enter or stay in the work force. Providing child benefits outside the income assistance system made it easier and more financially viable for parents receiving income assistance to return to work because they did not lose their child benefits when they left income assistance. Qualifying low income working parents also received the Nova Scotia Child Benefit.

The Canada Revenue Agency delivers the Nova Scotia Child Benefit, as well as the base benefit of the CCTB, and the NCB Supplement.

In 2006–2007, 27,935 families received the Nova Scotia Child Benefit. The number of Nova Scotian children needing the NCB Supplement decreased from 2005–2006 as the economy improved and more low-income families earned higher incomes through secure employment.

Centre-Based Child Care – Two hundred and thirty new subsidized centre-based child care spaces have been funded under the auspices of the NCB since 1998, including 30 spaces for children with special needs.

Early Intervention Programs – These programs help pre-school aged children with developmental disabilities to reach their potential. Additional operating grants have been made to existing centres and new programs have been initiated to ensure all families throughout the province have access to this service.

Table 19 Nova Scotia: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
Nova Scotia Child Benefit	26,385	25,597	24,337	22,894
Child/Day Care				
Centre-Based Child Care	1,537	1,537	1,537	1,537
Early Childhood/Children-at-Risk Services				
Early Intervention Programs	675	675	675	675
Total	28,597	27,809	26,549	25,106

Note: Totals may not add due to rounding.

Table 20 Nova Scotia: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Nova Scotia Child Benefit	29,247	49,690	28,215	48,033	27,935	47,087	26,149	44,283
Centre-Based Child Care	n/a	230	n/a	230	n/a	230	n/a	230
Early Intervention Programs	n/a	105	n/a	105	n/a	105	n/a	105

Note: n/a indicates the data for this category is not available.

New Brunswick

The government continues to build upon programs and services that help reduce and prevent child and family poverty, promote labour market attachment and foster early childhood development.

In 1998–1999, New Brunswick passed on the full value of the federal NCB Supplement to families on social assistance, and has continued to pass on all subsequent increases. In August of 1998, the province made investments under the NCB initiative through increased funding for child care and the creation of the Alternative Child-Care Assistance Program. New Brunswick has consistently maintained or increased the level of funding for each of its initiatives since the creation of the NCB in 1998.

New Brunswick's investments include:

Day-Care Assistance Program –

The Day-Care Assistance Program is designed to help families get the best possible child care. This program offers parents or guardians financial assistance to help them access quality, affordable care at an approved day-care facility. In 1997–1998, prior to the NCB initiative, New Brunswick invested \$4.23 million in the Day-Care Assistance Program. New Brunswick has devoted additional incremental funds to the Day-Care Assistance Program to support the goals of the NCB each year since the initiative began in 1998.

Alternative Child-Care Assistance –

Financial assistance may also be available to low-income parents or guardians who are in school or are working and do not have access to licensed day care. This program is designed to assist those who require child care during evenings, nights and weekends

or who have no licensed child-care facilities in their community.

Provincial Breastfeeding Strategy –

As part of its strategy to promote, protect and support breastfeeding, New Brunswick has adopted the WHO/ UNICEF Baby-Friendly Initiative (BFI). As such, all hospitals with maternity units, Public Health offices and Community Health Centres are required to take steps to achieve BFI designation. This long term project is underway in all Regional Health Authorities. The sum of \$100,000 has been allocated at the provincial level to support this initiative.

Healthy Minds Nutritional Partnership –

Initially called Healthy Minds Breakfast Pilot Program and begun as a pilot program, it addressed the nutritional needs of elementary school students by providing basic breakfast items, and benefited approximately 2,150 children. In 2000–2001, the program was significantly expanded and renamed the Healthy Minds Nutritional Partnership. By 2006–2007, the program benefited as many as 6,219 students across the province.

Positive Learning Environment –

This program addresses the unmet needs of children by identifying best practices for discipline in the school system when a positive environment alone is not enough. These include setting limits for behaviour and identifying the responsibilities of all partners in the school system.

Youth Addictions – The Regional Addiction Services Youth Treatment Program is a community-based program offered by the Department of Health through Regional Health Authorities. It provides treatment to young substance abusers within their own community. In 1997–1998, prior to the NCB, New Brunswick invested \$0.6 million in

youth addiction treatment. Prior spending, combined with incremental investments, resulted in a significant increase to New Brunswick's expenditures in this program. Enhanced funding provided increased education, prevention and chemical dependency treatment for approximately 1,600 children and youth aged 12 to 19 years in 2006–2007.

In addition to its NCB initiatives, New Brunswick is also supporting the needs of families with children by funding the New Brunswick Child Tax Benefit, which includes the Working Income Supplement, with over \$20 million every year.

Table 21 New Brunswick: NCB Investments

	2004–2005 ^a	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child/Day Care				
Day-Care Assistance Program	2,532	4,768	4,768	4,768
Alternative Child-Care Assistance	700	717	717	717
Early Childhood/Children-at-Risk Services				
Provincial Breastfeeding Strategy	12	10	10	100
Healthy Minds Nutritional Partnership	689	744	899	858
Positive Learning Environment	3,704	3,638	4,000	4,000
Youth Initiatives				
Youth Addictions	1,425	1,477	1,640	1,640
Total	9,061	11,354	12,033	12,083

^a Some of the expenditures from 2004–2005 differ from those reported in *The National Child Benefit Progress Report: 2006* due to data revisions.

Note: Totals may not add due to rounding.

Table 22 New Brunswick: Estimated Number of Families and Children Benefiting under NCB Investments

NCB Initiatives by Program Name ^a	2004–2005 ^b		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Day-Care Assistance Program	n/a	3,193	n/a	3,684	n/a	3,684	n/a	3,530
Alternative Child-Care Assistance	n/a	346	n/a	247	n/a	247	n/a	200
Healthy Minds Nutritional Partnership	n/a	6,516	n/a	6,344	n/a	6,219	n/a	6,037
Positive Learning Environment	n/a	117,145	n/a	114,820	n/a	112,013	n/a	110,288
Youth Addictions	n/a	1,726	n/a	1,683	n/a	1,572	n/a	1,442

^a Programs with no available data are not listed.

^b Some of the figures from 2004–2005 differ from those reported in *The National Child Benefit Progress Report: 2006* due to data revisions.

Note: n/a indicates the data for this category is not available.

Ontario

Ontario's NCB initiatives aim to prevent and reduce the depth of child poverty, encourage labour force attachment, and enhance learning and development for children in low-income families.

The 2004, 2005, 2006 and 2007 increases to the NCB Supplement (NCBS) were flowed through to social assistance recipients. Further, the 2007 Ontario Budget announced that **all** future NCB Supplement increases would flow through to social assistance recipients without an income charge, and that the full value of the NCB Supplement would be exempt as income starting in July 2008.

In Ontario, the provincial government and municipalities have made significant investments in NCB initiatives. Since social assistance is cost-shared between the province and municipalities, each has a role to play in Ontario's reinvestment strategy.

Ontario Reinvestments and investments include:

Ontario Child-Care Supplement for Working Families (OCCS) – Each year, Ontario spends about \$200 million on the OCCS, funded in part from the NCB reinvestment funds and through additional provincial investments, including \$40 million carried forward from the former Ontario Child Care Tax Credit. The OCCS, created in 1998, provides low- to moderate-income working families with a benefit for each child under age seven. Families are eligible for the OCCS if they have employment earnings exceeding \$5,000 for the year, whether or not they have child-care expenses. It is also available to families where parents are attending school or training programs

and have qualifying child-care expenses. The benefit starts decreasing when family net income reaches \$20,000.

In 2000–2001, Ontario introduced an additional \$210 per child supplement for single-parent families who qualify for OCCS, bringing the maximum annual OCCS benefit for single-parent families to \$1,310 annually per child under the age of seven (maximum benefit for two-parent families is \$1,100 per child). Funding for the single parent supplement represented an additional provincial investment in children in low-income families.

Child and Youth Mental Health –

In 2006–2007, the province reinvested \$20 million towards clinical service areas in child and youth mental health, including intensive child and family intervention services and the Ontario Child and Youth Telepsychiatry Program.

Children's Treatment Centres –

In 2006–2007, the province reinvested \$22 million towards the development of innovative approaches to assisting children with special needs.

Municipal Reinvestment Strategies –

Ontario municipalities are implementing their own initiatives as part of Ontario's overall reinvestment strategy. These strategies, designed to meet local needs and priorities, include reinvestments in areas such as early intervention, child care, employment supports and prevention programs.

Future Changes

The 2007 Ontario Budget announced the introduction of a new provincially-funded, non-taxable Ontario Child Benefit (OCB) for

eligible families with a child under 18 years of age. The OCB is intended to increase the incentive to move away from social assistance towards paid employment, strengthen families and provide the opportunity for children to achieve their full potential.

In July 2007, eligible families received a one-time OCB down payment of up to \$250 for each dependent child under

18 years of age. In July 2008 when monthly OCB payments begin, social assistance benefits and the OCCS will be restructured and families on social assistance will receive the full NCB Supplement.

Additional information is available on the Ontario Child Benefit website at www.children.gov.on.ca/htdocs/English/topics/financialhelp/ocb/index.aspx

Table 23 Ontario: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child/Day Care				
Ontario Child-Care Supplement for Working Families (OCCS) ^a	160,000	160,000	141,850	136,850
Early Childhood/Children-at-Risk Services				
Child and Youth Mental Health ^b	20,000	20,000	20,000	20,000
Children's Treatment Centres	22,000	22,000	22,000	22,000
Other NCB Programs, Benefits & Services				
Municipal Reinvestments Strategies	44,157	44,533	43,809	43,050
Total	246,157	246,533	227,659	221,900

^a Figures exclude an additional \$40 million previously committed to the former Ontario Child Care Tax Credit. The OCCS is an application-based program. Benefits are based on the previous year's tax return, and families have three years to file their tax return. After filing their tax return, families are given 18 months to return their OCCS application. Historically, it has taken about three years after the close of a given OCCS benefit year to achieve full take-up for that benefit year.

^b Formerly called *4-Point Plan for Children's Mental Health*.

Note: Totals may not add due to rounding.

Table 24 Ontario: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments^a

NCB Initiatives by Program Name ^b	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Ontario Child-Care Supplement for Working Families (OCCS) ^c	222,000	367,000	222,000	367,000	222,000	367,000	222,000	367,000

^a Based on Program Entitlement.

^b Programs with no available data are not listed.

^c The OCCS is an application-based program. Benefits are based on the previous year's tax return, and families have three years to file their tax return. After filing their tax return, families are given 18 months to return their OCCS application. Historically, it has taken about three years after the close of a given OCCS benefit year to achieve full take-up for that benefit year.

Manitoba

Manitoba³⁶ has continued to invest in programs and services that help reduce and prevent child and family poverty, promote labour market attachment and foster early childhood development.

In 1998, when the NCB Supplement was introduced, Manitoba, like most provinces, reduced benefit levels for families receiving income assistance by the amount of the supplement and redirected those funds into programs and services for low-income families with children living in Manitoba.

In mid-2000 however, as a means of providing additional assistance to families receiving income assistance, Manitoba began a phased in restoration of the NCB Supplement. In January 2004 the final phase of the restoration was implemented and the NCB Supplement was fully restored for all families receiving income assistance.

In addition to the restoration of the NCB Supplement, Manitoba's investments and reinvestments include:

Manitoba Child Care Program – Between April 1999, and March 2008, child-care funding in Manitoba has increased by 81 percent to \$97.0 million,³⁷ improving salaries, as well as training opportunities and supports for early childhood educators and providing additional subsidies for

children. Increased funding has also been provided to integrate more children with disabilities into the child-care system and to expand the number of funded child-care spaces.

Children's Special Services (CSS) –

Family-centred services are provided to birth, extended or adoptive families to assist them with caring for their children with developmental and/or physical disabilities in their own homes to the greatest extent possible and to promote the development of normalized community arrangements. Between April 1999 and March 2008, funding for the CSS program has increased by 123.7 percent to \$23.7 million, enabling more children with disabilities and their families to access the supports and services they need. As of March 31, 2008, a total of 4,345 children received services through the Family Support Services program of CSS, an increase of 3.8 percent over the previous fiscal year.

Healthy Baby – Healthy Baby is a two part program including the Manitoba Prenatal Benefit and Healthy Baby Community Support Programs. The Manitoba Prenatal Benefit (MPB) was launched in July 2001 for income-eligible pregnant women who live in Manitoba. It is intended to support women to meet their extra nutritional needs during pregnancy. The benefit also acts as a mechanism to connect women to health and community resources in their areas. MPB applicants have the option to consent

³⁶ Effective July 2000, Manitoba discontinued recovering increases to the NCB Supplement for all families receiving income assistance. Effective July 2001, Manitoba stopped recovering the NCB Supplement for children age six and under. Effective January 2003, it stopped recovering the NCB Supplement for children age 7 to 11 years; and, effective January 2004, it stopped recovering the NCB Supplement for children age 12 to 17 years.

³⁷ Includes funding provided through federal 2000 Early Childhood Development Agreement and 2003 Multilateral Framework on Early Learning and Child Care transfers as well as provincial revenue funds. Does not include 2005 and 2006 federal Early Learning and Child Care funds (\$25.6 million in 2005–2006, \$23.7 million in 2006–2007). The federal Early Learning and Child Care funding was cancelled in 2007–2008.

to have their contact information given to their local Healthy Baby program coordinator and/or public/community health provider. Healthy Baby Community Support Programs, via group sessions and outreach, are designed to assist pregnant women and new parents in connecting with other parents, families and health professionals to ensure healthy outcomes for their babies. Delivered through community-based partners, the programs provide pregnant women and new parents with practical information and resources on maternal/child health issues, prenatal/postnatal and infant nutrition, benefits of breastfeeding, healthy lifestyle options, parenting support, infant development and strategies to support the healthy physical, cognitive and emotional development of children.

Families First – This is a community-based home visiting program for families with children from conception to Kindergarten. Delivered by Regional Health Authorities across Manitoba, Families First begins with universal screening of all families with a newborn. Based on the family's identified strengths and needs, the program offers a continuum of support to families including referral to other community services. Regular visits by public health nurses are augmented by weekly home visits from specially trained home visitors. These visitors establish trusting nurturing relationships with families, support parenting and secure attachment, promote problem solving skills and assist in strengthening the family support system.

Parent-Child Coalitions (formerly Parent-Child Centred Approach) –

This brings together community strengths and resources within a geographic boundary through regional coalitions, with representation from a variety of

community partners. There are 26 funded coalitions province-wide (11 regions outside Winnipeg, 12 community areas within Winnipeg and 3 cultural organizations). Parent child coalitions promote and support existing community-based programs and activities for children and families, and initiate new activities that reflect community diversity. Also, a number of family resource centres receive funding under this initiative. Core priorities include positive parenting, nutrition and physical health, learning and literacy and community capacity building.

STOP FASD – This is an intensive three-year outreach program for women who have used alcohol and/or drugs heavily during pregnancy. Paraprofessional mentors offer flexible support services to women as they address a myriad of challenges and move toward a healthier, more secure and stable life. Following on the success of two Winnipeg sites, STOP FASD (Fetal Alcohol Syndrome Disorder) was expanded to Thompson and The Pas in northern Manitoba.

Special Needs Programs for Children in Schools – This initiative provides funding and consultative support for the development and operation of specific projects that provide school-based programming for students with special needs. Examples include FASD in the Classroom which provides a specialized classroom setting to enhance the school experience and outcomes for children and youth with FASD, and COACH, which is a 24-hour wraparound program for children ages 5 to 11 years with extreme behavioural, emotional, social and academic issues in their home, school and community settings.

Healthy Schools – This is Manitoba’s school health initiative intended to promote the health of school communities. The initiative recognizes that good health is important for learning, and that schools are in a unique position to positively influence the health of children, youth and their families. Healthy Schools focuses on priority health issues including physical activity, healthy eating, safety and injury prevention, substance use and addictions, sexual and reproductive health, and mental health promotion. Healthy Schools includes three main components: promoting community-based activities; promoting targeted provincial campaigns in response to issues affecting health and wellness of the school community; and developing resources for province-wide use.

Other Programs – These community-based initiatives provide access to education and support services for children, youth and families in high needs communities and promote community awareness, ownership and capacity building of the participants. Two examples through Healthy Child Manitoba are the William Whyte School Worker Project, a collaborative initiative which aims to provide greater access to more appropriate support services for Aboriginal children and families through community ownership and involvement; and Neah Kee Papa, a positive parenting program for young Aboriginal fathers, which is delivered by the Manitoba Metis Federation. In addition, the PEER Program funds support workers to visit families regularly to provide information on early childhood development, parenting information and community resources. Parents and their children are supported to prepare their children for school entry. This program is available in certain northern Manitoba

Aboriginal communities within the Frontier School Division.

Early Childhood Development Initiative (ECDI) – ECDI provides funding support to school divisions in the provision of intersectoral services for preschoolers (birth to school age). ECDI, in partnership with parents, the community and Healthy Child Manitoba, is designed to facilitate preschoolers’ readiness to learn prior to school entry.

Early Literacy – This grant program supports school divisions in their efforts to implement early literacy intervention programs that will accelerate the literacy development of the lowest-achieving grade one students.

Healthy Adolescent Development (for ages 12 to 18 years) –

The 1999 election commitment of teen pregnancy prevention has been placed within the larger context of healthy adolescent development with a particular focus on sexual and reproductive health issues. This approach incorporates harm reduction strategies for high risk behaviours and encompasses the principles of population health utilizing evidence based and best practice models. Aspects of the portfolio include resource development such as the Think Again Prevention Campaign, Your Choice for Your Reasons – Pregnancy Options, Teen Clinic Services Manual and a Sexual and Reproduction Health Volunteer Services Manual. Funding support is also provided to community organizations such as Teen Talk, Teen Touch, Northern Youth Council and school or community based teen clinics in St. John’s High School, Elmwood High School, École Selkirk Junior High, Flin Flon Primary Care Centre, The Pas Primary Care Centre and in Cranberry

Portage. These clinics aim to address adolescents' health and psycho-social needs. The Healthy Child Manitoba Office (HCMO) is also a key member on the Manitoba Implementation Team for the Provincial Sexually Exploited Youth Strategy. Through the strategy, HCMO has financially supported the development of a multi media campaign stopsexwithkids.ca and several northern trainings for front line service providers working with vulnerable and exploited children and youth.

Workforce Attachment – These initiatives provide low-income parents who are either working or on social assistance with a range of supports that help them obtain and maintain employment. Employment supports include needs/skills assessments, labour market information, job-focused education/skills development and job search/job placement assistance.

Building Independence/New Income Assistance Initiatives – Manitoba has increased supports for parents to enter or re-enter the labour market, and has improved benefits for families receiving income assistance. Job-centre supports and work incentives have been enhanced, and supports to help citizens become independent have been improved.

Table 25 Manitoba: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child/Day Care				
Manitoba Child Care Program ^{a b c}	3,082	5,324	5,100	4,420
Early Childhood/Children-at-Risk Services				
Children's Special Services ^{a b}	2,328	1,833	1,561	1,483
Healthy Child Manitoba:				
Healthy Baby ^b	4,597	4,845	4,824	4,569
BabyFirst ^{b c d}	6,577	–	–	–
Early Start ^{b c d}	1,934	–	–	–
Families First ^{b c d}	–	9,418	9,268	9,359
Parent-Child Coalitions ^{b e}	3,000	3,085	3,005	3,140
STOP FASD ^b	714	748	779	779
Special Needs Programs for Children in Schools	3,602	3,843	4,346	4,376
Healthy Schools	40	750	284	327
Other Programs	1,004	1,021	1,033	1,052
Early Childhood Development Initiative (ECDI) ^b	668	1,363	1,400	1,600
Early Literacy	6,016	6,058	6,181	6,200
Youth Initiatives				
Healthy Adolescent Development	286	298	233	234
Other NCB Programs, Benefits & Services				
Workforce Attachment ^f	2,252	2,252	1,266	0
Building Independence/New Income Assistance Initiatives ^{a g}	15,424	15,424	15,424	15,424
Total^b	51,524	56,262	54,705	52,964

^a The amounts indicated for the Manitoba Child Care Program, Children's Special Services and New Income Assistance Initiatives represent new incremental funding amounts only and do not include base funding in place prior to the introduction of the NCB.

^b Figures include funding which is provided through remaining NCB Supplement recoveries, Children's Special Allowance recoveries and the federal transfers under the Early Childhood Development Agreement (\$18.3 million in 2004–2005, 2005–2006 and 2006–2007, and \$18.2 million in 2007–2008) as well as provincial revenue.

^c Figure includes funding received through the federal transfers under the 2003 Multilateral Framework on Early Learning and Child Care (\$5.5 million in 2004–2005, \$8.2 million in 2005–2006, \$10.8 million in 2006–2007 and \$12.6 million in 2007–2008). Figure does not include the Early Learning and Child Care Funds.

^d In 2005–2006, Families First Program replaced BabyFirst and Early Start.

^e Formerly referred to as the Parent Child Centred Approach.

^f In 2006–2007, Workforce Attachment no longer included funding for New Training Strategies.

^g Reinvestments and Investments include expenditures on the Employment and Income Assistance Rate Increase and the Restoration of the NCB Supplement for families in receipt of Employment and Income Assistance benefits. In both 2004–2005 and 2005–2006, \$13.7 million was spent on the Restoration of the NCB Supplement. It is estimated that in both 2006–2007 and 2007–2008, \$13.7 million will be spent on the Restoration of the NCB Supplement.

Note: Totals may not add due to rounding.

Table 26
Manitoba: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name ^a	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Children's Special Services ^b	n/a	3,876	n/a	4,049	n/a	4,186	n/a	4,345
Healthy Baby	6,862	n/a	7,695	n/a	7,732	n/a	7,336	n/a
BabyFirst ^c	1,342	1,342	–	–	–	–	–	–
Early Start ^c	148	213	–	–	–	–	–	–
Families First ^c	–	–	1,469	1,469	1,549	1,549	1,456	1,456
STOP FASD	130	500	110	400	110	400	115	400
Special Needs Programs for Children in Schools	78	78	78	78	78	78	78	78
Other Programs	645	820	734	837	774	450	752	475
Early Childhood Development Initiative (ECDI)	n/a	12,310	n/a	12,192	n/a	12,075	n/a	n/a
Early Literacy	n/a	2,611	n/a	2,602	n/a	2,560	n/a	2,561
Healthy Adolescent Development	n/a	2,281	n/a	2,045	n/a	2,514	n/a	1,868
Workforce Attachment ^d	611	n/a	612	n/a	151	n/a	–	–
Building Independence/New Income Assistance Initiatives								
Work Incentives	2,900	n/a	2,900	n/a	2,900	n/a	2,900	n/a
Job Centre Supports	2,214	n/a	2,214	n/a	2,214	n/a	2,214	n/a
Individual Development Accounts	15	n/a	15	n/a	15	n/a	15	n/a
School Supplies	6,940	n/a	6,940	n/a	6,940	n/a	6,940	n/a

^a Programs with no available data are not listed.

^b Numbers include only those children in the Family Support Program.

^c In 2005–2006, Families First Program replaced BabyFirst and Early Start.

^d In 2006–2007, families in New Training Strategies were no longer included under Workforce Attachment. In 2007–2008, Opportunities for Employment under Workforce Attachment, was no longer funded through the NCB reinvestments.

Note: n/a indicates the data for this category is not available.

The number of families for 2004–2005 may differ from those reported in *The National Child Benefit Progress Report: 2006* due to data revisions.

Saskatchewan

Saskatchewan's NCB reinvestment programs aim to reduce and prevent child poverty through programs that assist low-income families with the costs of raising children, promote labour market attachment for low-income families, and support early learning and child care.

NCB initiatives in Saskatchewan are designed to help citizens enjoy a better quality of life through greater economic independence and social inclusion.

When the NCB was introduced in 1998, Saskatchewan restructured social assistance by removing children's basic benefits from social assistance and establishing a separate child benefit available to all low-income families. The restructured benefit, known as the Saskatchewan Child Benefit, was delivered as an integrated payment with the Canada Child Tax Benefit to reduce duplication and simplify administration. The new structure was designed to support the NCB strategy of lowering the "welfare wall" and providing income-tested child benefits that remain portable as families move from welfare into work.

From 1998 to 2006, the province adjusted the Saskatchewan Child Benefit rates by the amount of federal increases to the NCB Supplement. Families on social assistance received at least the same in combined federal/provincial child benefits as they would have received under the previous welfare model of child benefits. Under the adjustment approach, the Saskatchewan Child Benefit was designed to reduce over time, and eventually phase out as it was replaced by increases to the NCB Supplement. The Saskatchewan Child Benefit was fully phased out in July 2006.

All subsequent federal increases to the NCB Supplement flow directly through to families. All savings from the offset of the Saskatchewan Child Benefit expenditures have been reinvested in other NCB initiatives.

In 2007, Saskatchewan provided continued or enhanced support for its remaining NCB initiatives, designed to improve well-being and economic independence for low-income families with children.

Saskatchewan's NCB initiatives include:

Saskatchewan Child Benefit –

Together with the NCB Supplement, the Saskatchewan Child Benefit replaced social assistance for children and provided child benefits to low-income families, whether parents were on social assistance or employed. Paying child benefits outside of social assistance makes it easier for parents to move to or remain in the labour market. In July 2006, the Saskatchewan Child Benefit was phased out as benefits were fully displaced by federal increases to the NCB Supplement.

Saskatchewan Employment

Supplement – This benefit is paid to low-income parents who are employed or who receive maintenance payments. The supplement supports employment by offsetting child-related costs that a parent may incur through working. It also improves incentives to collect maintenance payments by increasing the net value of the payment to the family.

Child Care Enhancements – Access to suitable child care arrangements is a critical support that helps parents enter and remain in the labour force, especially those whose children have special needs.

Incremental funding has been provided to enhance child care subsidy rates, and to develop additional child care spaces and supports for the inclusion needs of low-income and high-needs families. These targeted supports provide low-income families with affordable, reliable child care so they can go to work or school and feel secure about the care of their children.

Family Health Benefits – This program extends supplementary health coverage to low-income families to assist with the cost of raising children. The program provides additional children’s coverage for dental, optometry, chiropractic services, prescription drugs, ambulance transportation, and medical supplies. More limited coverage for eye care, drugs, and chiropractic services is also provided to parents. With this program, low-income families are assured of retaining health benefits as they leave social assistance for work opportunities and are not forced onto assistance due to children’s health costs.

Community Schools Program – In 2002–2003, incremental funding was provided to expand the Community Schools Program. Located in low-income areas, community schools attempt to address the barriers to success in school and in life by drawing parents and community resources into the schools. Parenting, pre-kindergarten, teen parent programs, and child nutrition programs are among the programs offered in community schools.

Employment Support Programs – These programs provide on-the-job training, job coaching, and productivity supports to assist individuals to attach to and remain in the labour force. Incremental funding was provided in 2002–2003

to enable families on social assistance and high-risk youth under 18 years who are at risk of becoming reliant on social assistance, to access employment opportunities and make the transition to independence.

Maintenance Enhancement Project – This initiative, introduced in 2002–2003, assists low-income single parents to receive or increase maintenance income for their children. Three additional legal staff were added to assist single parents to obtain child support orders, or to obtain variations in existing orders where non-custodial parents have experienced increased incomes. The income from child maintenance payments helps parents achieve greater financial independence, and is eligible for additional supplementation under the Saskatchewan Employment Supplement.

Saskatchewan Rental Housing Supplement – This program, developed in 2004 and implemented in 2005, is intended to help low-income families gain access to quality and affordable rental housing. Rent supplements are available to low-income households in the labour market as well as to those on welfare. Additional support is available for those with a disabled family member. The supplements are unique in that to qualify, rental properties must meet basic health and safety standards. Providing the supplements outside of welfare helps to reduce barriers to work.

Family Shelter Enhancements – In 2005, additional support was provided to enhance shelter benefits for families living in locations facing higher rental costs. The adjustments better reflect local market rents in different parts of the province. The Saskatchewan Rental Housing Supplement

provides further assistance for rental costs exceeding base shelter benefits.

Child Nutrition and Development

Program – This program provides funding for a range of projects, including school and community nutrition programs, nutrition education, food security initiatives, and self-sufficiency projects such as collective

kitchens, which address the long-term causes of hunger and help low-income families acquire skills and abilities necessary for independence. In 2005, incremental funding was provided to expand services and enhance support for existing initiatives.

Table 27 Saskatchewan: NCB Reinvestments and Investments

	2004–2005 ^a	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplement				
Saskatchewan Child Benefit ^b	13,366	7,840	1,790	1,037
Saskatchewan Employment Supplement	20,354	20,341	19,635	18,675
Child/Day Care				
Child Care Enhancements	1,775	1,093	2,340	5,841
Supplementary Health Benefits				
Family Health Benefits	10,558	11,505	11,505	10,938
Youth Initiatives				
Community Schools Program	12,419	13,029	13,518	14,635
Other NCB Programs, Benefits & Services				
Employment Support Programs	98	1,092	272	500
Maintenance Enhancement Project	243	276	311	339
Saskatchewan Rental Housing Supplement	432	2,871	4,558	4,812
Family Shelter Enhancements	–	1,409	1,397	2,335
Child Nutrition and Development Program	–	506	1,191	655
Unspent reinvestment funds			951	
Total	59,245	59,962	57,468	59,767

^a In 2005–2006, due to improved reporting methods, Saskatchewan revised the way in which it reports reinvestments/investments. Expenditures for 2004–2005 were restated and will not match figures from reports prior to 2005.

^b Reflects net provincial expenditures after recovery of funds from Indian and Northern Affairs Canada for benefits paid to on-reserve families.

Note: Totals may not add due to rounding.

Table 28**Saskatchewan: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

NCB Initiatives by Program Name ^a	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Saskatchewan Child Benefit	18,770	45,520	17,910	36,900	16,960	34,030	–	–
Saskatchewan Employment Supplement	7,710	15,280	7,680	15,140	6,850	13,620	6,040	12,125
Child Care Enhancements	760	1,000	1,530	2,000	1,170	1,530	1,580	2,065
Family Health Benefits ^b	20,190	35,320	21,420	35,760	19,925	33,715	22,370	30,765
Community Schools Program	n/a	27,000	n/a	26,240	n/a	24,105	n/a	25,250
Employment Support Programs	260	810	970	2,170	215	220	290	550
Saskatchewan Rental Housing Supplement	n/a	n/a	2,240	4,510	3,205	6,535	3,010	6,200
Family Shelter Enhancements	–	–	5,700	10,960	5,670	11,230	5,790	12,590

^a Programs with no available data are not listed.

^b The numbers of families and children changed due to improved tracking and will not match numbers from reports prior to 2006.

Note: n/a indicates the data for this category is not available.

Alberta

Alberta's NCB initiatives support the shared goals of helping reduce the depth of child poverty and encouraging parents to participate in the workforce by ensuring they are better off working while reducing overlap and duplication between government programs. Alberta's initiatives also support low-income families with the costs associated with raising their children. Since 2003, Alberta has enhanced the mix of income and in-kind benefits and services to families receiving assistance through the Alberta Works-Income Support Program³⁸ by flowing through the full increase of the NCB Supplement directly to them.

Alberta's reinvestments and investments include:

Child-Care Subsidy – The Child-Care Subsidy program supports eligible low-income families with child care costs for their pre-school children enrolled in licensed day-care centres, out of school care or approved family day homes. Parents may apply for a subsidy if they have a valid reason, such as they are currently working or looking for work, attending school, or if they or their children have special needs. Funds also support the Kin Child Care Funding Program which assists eligible low-income families to pay non resident relatives of the child to care for their children. This program provides families with flexible alternatives for child care where there are limited options; for example, in rural locations, or during non-traditional work hours.

Quality Child Care – The NCB funds for this initiative support respite options for families in need, as well as a child-care nutritional program. The respite care program ensures that a number of child care spaces are available for short-term placements. These placements assist families of children with disabilities in need of relief care, and also enable families who need support to participate in counselling or treatment programs to benefit their children. Funds directed to the child care nutritional program enhance the nutritional quality of meals and snacks served to children in child care settings, and provide information about preschool nutritional needs to parents of children in child care programs.

Alberta Child Health Benefit (ACHB) –

This program was initially created by using NCB reinvestment funds. Children in families with limited incomes are provided with health services such as prescription drugs, dental care, optical, emergency ambulance, and essential diabetic supplies that are not available through standard Alberta Health Care Insurance. The ACHB helps children get health services they would not otherwise obtain and contributes to their health and well-being, including school performance. Parents can have peace of mind their children's health will be cared for without worrying about costs that may be a barrier to accepting or maintaining employment.

Alberta Adult Health Benefit (AAHB) –

When clients leave income support for employment, the AAHB provides individuals/families with the same health benefits they had when receiving income

³⁸ Effective April 1, 2004, the Alberta Works-Income Support Program replaced the Supports for Independence (SFI) program.

support. Ensuring that health benefits are provided outside of income support programs removes a potential barrier to employment, while assisting individuals/families to stay healthy. As of August 1, 2007, the AAHB is also available to other Albertans experiencing low income who are pregnant or who have high drug costs in relation to their income. This ensures these individuals/families can meet their health needs while remaining independent from income support.

Protection of Sexually Exploited

Children (PSECA) – This protective legislation (enacted October 2007) replaces the legislation formally known as Protection of Children Involved in Prostitution (PCHIP). The change in name more accurately reflects the dynamics of children who are sexually exploited through prostitution and reduces the stigma of accessing supports via the program. Under this initiative, children and youth are afforded a broad range of supports and interventions ranging from community based services including outreach and residential services to more intrusive intervention including confinement in a secure protective safe house. The program addresses the unique educational, health, substance abuse treatment and life skills supports of the high risk population. In 2007–2008, the number of children reported reflects youth benefiting from both voluntary and non-voluntary services. Due to statistical data limitations, previous years included apprehensions only.

Transitional Support for Youth

Leaving Child Welfare – This fund supports the Advancing Futures Bursary Program. Through this program, tuition

costs, school-related expenses and living expenses for the academic term are provided to youth if they have had a Permanent Guardianship Order between the ages of 13 and 18 years or have been in care for at least 564 days between the ages of 13 and 22 years. Individuals are invited to apply if they are interested in: obtaining their high school equivalency through adult education; earning a degree/diploma from a post-secondary institution; learning a trade; or earning a license or certification.

Shelter Benefits – This reinvestment increased shelter benefits for Alberta Works-Income Support Program recipient families with children.

School Allowance Benefit –

This reinvestment increased the school expense benefit and is paid annually to Alberta Works-Income Support Program recipients, when school starts, for children attending kindergarten to grade 12. It helps cover the costs of school and gym supplies, registration fees, and other education-related costs.

Earnings Exemption Increase –

NCB reinvestment dollars were used to increase the earnings exemption for Alberta Works-Income Support Program³⁹ single-parent recipients who are working; thereby allowing them to earn additional income per month before their benefits are reduced.

Employment Maintenance Benefit – A benefit of \$120 per year is made available to working parents to provide additional support for work-related expenses such as transportation and clothing.

³⁹ Effective April 1, 2004, the Alberta Works-Income Support Program replaced the Supports for Independence (SFI) program.

Table 29 Alberta: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child/Day Care				
Child-Care Subsidy	7,300	7,300	7,300	7,300
Quality Child Care	1,000	1,000	1,000	1,000
Supplementary Health Benefits				
Alberta Child Health Benefit	22,228	23,900	22,528	23,470
Alberta Adult Health Benefit	1,834	2,452	3,843	6,000
Early Childhood/Children-at-Risk Services				
Protection of Sexually Exploited Children ^a	600	600	600	600
Youth Initiatives				
Transitional Support for Youth Leaving Child Welfare	2,250	2,250	2,250	2,250
Other NCB Programs, Benefits & Services				
Shelter Benefits	5,643	5,582	4,861	4,723
School Allowance Benefit	2,545	2,501	2,242	2,108
Earnings Exemption Increase	3,452	2,882	2,200	1,729
Employment Maintenance Benefit	363	315	429	439
Total	47,215	48,782	47,253	49,619

^a Formerly known as *Protection of Children Involved in Prostitution*.

Note: Totals may not add due to rounding.

Table 30
Alberta: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name	2004–2005 ^a		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Child-Care Subsidy ^b	n/a	10,032	n/a	10,408	n/a	12,290	n/a	11,514
Quality Child Care ^b	n/a	7,747	n/a	9,123	n/a	7,319	n/a	6,427
Alberta Child Health Benefit	n/a	69,774	n/a	72,832	n/a	71,165	n/a	77,375
Alberta Adult Health Benefit	2,053	n/a	1,918	n/a	2,370	n/a	3,722	n/a
Protection of Sexually Exploited Children ^{b c}	n/a	100	n/a	112	n/a	92	n/a	96
Transitional Support for Youth Leaving Child Welfare ^b	n/a	231	n/a	484	n/a	403	n/a	459
Shelter Benefits	11,437	22,710	11,200	22,392	9,795	20,056	9,492	19,542
School Allowance Benefit	n/a	21,366	n/a	19,989	n/a	17,901	n/a	16,949
Earnings Exemption Increase ^d	3,345	n/a	2,744	n/a	2,131	n/a	1,675	n/a
Employment Maintenance Benefit	2,996	n/a	2,613	n/a	3,532	n/a	3,621	n/a

^a Figures for 2004–2005 may differ from those reported in *The National Child Benefit Progress Report: 2006* due to data revisions.

^b Numbers include families and children assisted from all provincial sources of funds.

^c Formerly known as *Protection of Children Involved in Prostitution*.

^d Monthly average.

Note: n/a indicates the data for this category is not available.

British Columbia

British Columbia's NCB initiatives aim to prevent and reduce the depth of child poverty, to assist low-income families with the costs associated with raising children, and to encourage parents to join the workforce and to remain employed. The province's commitment to this type of initiative began before the NCB was established with the BC Family Bonus. This program was implemented two years before the NCB and served as one of the models for the national program.

As in previous years, British Columbia continues to adjust BC Family Bonus benefits with respect to increases in the NCB Supplement, such that families receive the same or increased benefits when combined with the NCB Supplement. The NCB Supplement has now almost fully replaced the BC Family Bonus for families in receipt of the NCB, but partial BC Family Bonus benefits continue to be paid to families with incomes above the NCB reduction thresholds. As part of the BC Family Bonus, British Columbia also adjusted the BC Earned Income Benefit by any increase in the NCB Supplement in excess of the current BC Family Bonus payment.

British Columbia's reinvestments and investments include:

BC Earned Income Benefit (BCEIB) –

The BCEIB was introduced in July 1998 as an additional incentive for low-income families to seek work and remain employed. The BCEIB pays an additional monthly amount based upon the earned income that a family receives from working.

BC Family Bonus (BCFB) Increase –

The BCFB is a tax-free monthly benefit paid to low- and modest-income families with children. The program was implemented in 1996, two years prior to the implementation of the NCB. In 1998, the BCFB was combined with the Canada Child Tax Benefit into a single monthly payment for families with children. The BCEIB and the BCFB are tax-free monthly benefits that make it more attractive for those on income assistance to seek work and to remain employed.

The BCFB has been reduced by a portion of increases to the NCB Supplement since 1998. Since July 2005, only a small number of large families still receive basic BCFB in addition to the NCB Supplement. Only the portion of NCB Supplement payments that have been passed through to families still in receipt of BCFB is included as BCFB Increase. The combined BCFB and NCB Supplement have increased steadily. For example, the maximum monthly benefit for a first child was \$103 in July 1998. As of July 2007, it had increased to \$165.67.

Supported Child Development –

This program helps facilitate the inclusion of children with special needs into child-care settings. Funds are directed to community agencies to provide extra support staff and resources to child-care facilities or to the families directly. Only the portion of funding used for children aged 6–13 years is accounted for as an NCB reinvestment.

Child-Care Subsidy (non-regulated) –

In June 2004, all child-care programs were centralized within the BC Ministry of Children and Family Development (MCFD). Since 2005, the subsidy for non-regulated childcare is reported as part of Child-Care Programs and Services.

Child-Care Programs and Services (formerly called Child-Care Programs prior to 2005–2006) – Child-Care and Early Childhood Development programs were unified within MCFD in June 2004 – improving service delivery and access for families. Given the mix of base-funding for NCB and other funding sources, only a portion of the funding for these programs is reported as an NCB reinvestment. These programs themselves offer services to meet a much broader range of needs and age groups, but generally the portion of funding reported as an NCB reinvestment reflects the population of children 6–13 years. Specific child-care programs and services for families, child-care providers and Early Childhood Educators across the Province, for which some NCB funding is used include:

- **Child-Care Operating Funding Program** – provides fair and equitable operating funding to eligible licensed group and family providers to help meet the day to day costs of providing care, including staff recruitment and retention.
- **Minor Capital Funding Program** – helps licensed group non-profit child-care providers meet licensing requirements related to upgrading or repairing existing facilities, replacing equipment and furnishings.
- **Major Capital Funding Program** – provides eligible applicants with funding to purchase equipment, build, renovate or expand the capacity of existing child-care facilities or for the creation of new facilities to create new child-care spaces.
- **Child-Care Resource and Referral Program** – offers information and referrals to assist parents to make quality child-care choices. It also supports child-care

providers through toy and equipment lending libraries, professional development opportunities, information and resources in all communities across the province.

- **Child-Care Subsidy Program** – assists low- and moderate-income families throughout British Columbia with the cost of child-care. The subsidy is a monthly payment provided to eligible families who are working, looking for work, attending school or a training program, or who have a medical condition which interferes with the ability to care for the child, or have a child attending a licensed preschool, or have child-care recommended by a MCFD social worker. MCFD became responsible for the administration of the Child-Care Subsidy Program in May 2005. The transfer of the subsidy program from the Ministry of Employment and Income Assistance was completed in the fall of 2006. Child-care subsidy can be provided for children who attend both regulated and non-regulated child-care settings however only the portion of funding used to support non-regulated child-care settings is accounted for as an NCB reinvestment.

BC Healthy Kids Program (formerly called the Healthy Kids Dental and Optical Benefits Program prior to 2007–2008) – This program

provides basic dental and optical services for children in low- and moderate-income families in receipt of premium assistance. For families moving from income assistance to low- and moderate-income employment, the BC Healthy Kids Program removes one of the barriers for employment by allowing families to retain some benefits previously associated with income assistance.

Autism Intervention – This program, introduced in 2003–2004, provides families of children and youth (aged 6 to 18 years) diagnosed with autism spectrum disorder, with up to \$6,000 per year to assist with the cost of purchasing out-of-school autism intervention services. This funding is in addition to the educational program and special education services provided through school boards.

Foster Care 2000 – Foster Care 2000 provides continuing improvements to training and support for foster parents.

Family Support Programs –

These are community-based services intended to promote the well-being of families. The services are designed to increase the strength and stability of families, to increase parents' confidence and competence in their parenting abilities, to give children a stable and supportive family environment, and to enhance child development. Core elements of family support programs include: home visiting; child development; parent training and education; and social, emotional and educational support for families.

Aboriginal Regional Support Services (formerly called Aboriginal Strategy prior to 2006–2007) – This funding is devoted to developing administrative and service structures for Aboriginal organizations and for training of staff who will develop and deliver services for children and families. A continuum of services are offered to Aboriginal communities, including child welfare, family support, early childhood development, child-care, child and youth mental health, adoption, and youth justice probation.

CommunityLINK – Funding is provided to school boards to improve the educational performance, including academic achievement and social functioning of vulnerable students. Supports funded by school districts include, for example, youth and family counsellors, inner-city school programs and school meal and snack programs, etc.

Youth Initiatives – A continuum of services is provided through this program that targets youth-at-risk of family breakdown, and those youth living apart from family in high-risk situations. Key service functions include youth-family mediation, outreach, youth support workers, safe housing, youth agreements and specialized youth services. Specialized youth services are developed to meet the specific needs of at-risk youth populations, such as young parents and aboriginal people, sexually exploited and LGBTQ⁴⁰ youth.

Other Youth Programs – Other Youth Programs cover a range of community-based services for youth. These include the Safe Streets and Safe Schools Grant Program, which support schools and community strategies that enhance public safety and local crime prevention efforts; and the Community Capacity Building Project Fund which helps communities develop programs that address the issues of prostitution, particularly when they involve the sexual exploitation of children and youth. It also includes the Youth Against Violence Line, which provides youth a safe, confidential way to prevent and report incidents of youth violence or crime and seek help from local police; the Youth Gang Prevention Fund, a four-year, multi-staged, community action model that supports the direct efforts of

⁴⁰ LGBTQ is the generally accepted term for lesbian, gay, bi-sexual, transgendered and questioning individuals. *Questioning* reflects that group of individuals who are not sure what their sexuality actually is.

local communities in developing plans that work toward the prevention of youth gang violence; and the Child and Youth Guardian of Estate, which protects the legal and property rights of children and youth.

Social Housing – Housing assistance is provided to low-income families across British Columbia and is targeted to households in the greatest need. As new housing units reach completion, additional subsidy dollars are required to support these families.

Rental Assistance Program –

This program, introduced in 2006–2007 provides direct cash assistance to low-income, working families with at least one child aged 18 and under, a gross household income less than \$28,000 per year, less than \$10,000 in assets and who pay more than 30% of their household income towards rent.

Table 31 British Columbia: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
BC Earned Income Benefit	61,500	48,600	31,200	21,500
BC Family Bonus Increase ^a	82,000	32,890	13,370	9,610
Child/Day Care				
Supported Child Development	13,642	14,274	13,959	15,102
Child-Care Subsidy (non-regulated) ^b	46,198	–	–	–
Child-Care Programs and Services ^c	10,029	67,388	81,162	71,595
Supplementary Health Benefits				
B.C. Healthy Kids Program ^d	6,204	8,221	8,421	8,013
Autism Intervention	11,884	13,696	16,740	18,878
Early Childhood/Children-at-Risk Services				
Foster Care 2000	3,853	3,900	4,283	3,305
Family Support Programs	12,937	13,353	14,968	13,474
Aboriginal Regional Support Services ^e	6,282	5,201	6,348	6,462
Community/LINK	41,650	41,650	44,600	45,800
Youth Initiatives				
Youth Initiatives	20,838	22,613	24,883	23,436
Other Youth Programs ^f	1,433	1,893	2,102	2,752
Other NCB Programs, Benefits & Services				
Social Housing	53,454	54,851	56,762	66,800
Rental Assistance Program ^g	–	–	2,400	16,100
Total	371,904	328,530	321,198	322,827

^a Figures include the amount of NCB Supplement increases that have been passed through to BC Family Bonus recipients since 1998. As of 2004–2005, this amount starts to decline as a result of the full offset of the BC Family Bonus for most families with one child.

^b After 2004–2005, this funding is reported within Child-Care Programs and Services.

^c Formerly called Child-Care Programs prior to 2006–2007. The subsidy for non-regulated child care is reported under this program area as of 2005–2006.

^d Formerly called Healthy Kids Dental and Optical Benefits Program prior to 2007–2008.

^e Formerly called Aboriginal Strategy prior to 2006–2007.

^f The expenditure for 2004–2005 differs from that reported in the *National Child Benefit Progress Report: 2006* due to incorrect rounding in the previous report.

^g This program was launched in October 2006. In 2007–2008, this amount increases as enhancements were made to the program and the provincial government committed to more funding. The full take up of this program is expected in 2008–2009.

Notes: 1) All expenditures and estimates exclude the amounts reported under other federal/provincial agreements.
2) Figures have been rounded.

Table 32**British Columbia: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

NCB Initiatives by Program Name ^a	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
BC Earned Income Benefit	95,190	162,880	97,300	162,750	91,110	154,600	82,150	139,400
BC Family Bonus Increase ^b	151,560	259,320	46,730	104,060	14,070	42,300	10,110	30,400

^a Programs with no available data are not listed.

^b As of 2004–2005, the number of families and children benefiting from the BC Family Bonus Increase starts to decline as a result of the full offset of the BC Family Bonus for most families with one child.

Yukon

Yukon's savings associated with the NCB Supplement have been invested in programs supporting healthy children, healthy families and healthy communities. These initiatives support the national goals of helping to reduce the depth of child poverty and encouraging parents to participate in the work force while ensuring they are better off working. Yukon's initiatives also support low-income families with the costs of raising children and recognize the long-term benefits of early childhood interventions.

Adjustments to Social Assistance benefits are made monthly by treating the actual amount of the NCB Supplement received as a separate category under income. This results in a deduction from Social Assistance benefits that is not subject to either the flat rate income exemption (\$150 per month per family) or the earned income exemption (50 percent of earned income). For non-taxfilers, the amount of the NCB Supplement is covered by Social Assistance, but the client must sign an "agreement to repay" which is collected when their NCB Supplement is issued for the portion that Social Assistance covered. This situation happens rarely.

Yukon's reinvestments and investments include:

Yukon Child Benefit (YCB) (Investment) – Yukon families in receipt of the Canada Child Tax Benefit (CCTB) and the NCB Supplement are automatically considered for the Yukon Child Benefit (YCB). The YCB is an investment that supplements the NCB Supplement and is based on the same objectives and principles. The benefit is tax-free

and is not considered as income (i.e., not counted) when calculating social assistance benefits. Effective July 2004, the YCB was increased to \$450 per year per child, and is available for families with net annual incomes below \$25,000 (turning point), at which point the tax-back rate applied is 2.5 percent for one-child families and 5 percent for families with two or more children. The Yukon Government negotiated a recovery from Indian and Northern Affairs Canada (INAC) for costs of the YCB associated with Status Indian children in the Yukon.

Yukon Children's Drug/Optical Program (CDOP) (Reinvestment) –

This program is designed to assist low-income families with the cost of prescription drugs and eye care for children up to 18 years of age. While families with incomes above \$23,500 per year pay a deductible, there is no deductible for families with incomes below \$23,500 per year. Families must reapply each fiscal year.

Kids Recreation Fund (KRF)

(Reinvestment) – The fund covers registration fees, equipment and supplies for sports, arts, cultural, recreational or social activities. It is available to families whose net income is under \$37,000 per year or who have other special family circumstances, including recent financial hardship, family illness, large family size or family crisis. Each application is assessed on the family's individual circumstances. Eligible families can apply for up to \$300 per child, per activity, to a maximum of \$500 per year. The KRF is a special fund administered by Sport Yukon and supported in part by the Government of Yukon through the NCB initiative.

Healthy Families Yukon (Reinvestment) –

The Government of Yukon in March 1999, implemented the early intervention program, Healthy Families Yukon, to improve the long-term outcomes of Yukon children. The Healthy Families Yukon program is a culturally appropriate, intensive home-based family support service offered to expectant parents and parents of children under three months of age. The service is voluntary and is offered on a long-term basis, up to when the child is five years old. Weekly home visits are offered to the family in the first nine to twelve months, with criteria to increase/decrease the level of service as the child becomes older. The goals of Healthy Families Yukon are:

- to systematically assess the strengths and needs of new parents and assist them in accessing community services as needed;
- to enhance family functioning by:
 - building trusting, nurturing relationships,
 - teaching problem-solving,
 - improving the family's support system;

- to promote positive parent-child relationships; and
- to promote healthy childhood growth and development.

Food for Learning (Investment) –

The Yukon Food for Learning Society provides funds to assist schools in providing nutrition programs such as breakfast, lunch or snacks for students who do not have enough to eat. The Yukon Government provided a one-time reinvestment of \$30,000 in 1998–1999 to enhance the Food for Learning Project. The project is a special fund administered by a non-government organization and supported in part by the Government of Yukon through the NCB initiative.

Table 33 Yukon: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
Yukon Child Benefit ^a	711	675	660	1,030
Supplementary Health Benefits				
Yukon Children's Drug/Optical Program ^b	48	46	44	39
Early Childhood/Children-at-Risk Services				
Kids Recreation Fund	200	102	105	111
Healthy Families Yukon	1,026	937	974	975
Food for Learning	30	30	30	30
Total	2,015	1,790	1,814	2,185

^a Not including funds recovered from Indian and Northern Affairs Canada.

^b The figures were revised to include administrative fees associated with the Yukon Children's Drug/Optical Program.

Note: Totals may not add due to rounding.

Table 34 Yukon: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name ^a	2004–2005		2005–2006		2006–2007		2007–2008	
	Families	Children	Families	Children	Families	Children	Families	Children
	#	#	#	#	#	#	#	#
Yukon Child Benefit	1,455	2,552	1,404	2,451	1,450	2,500	1,395	2,429
Yukon Children's Drug/Optical Program	158	224	233	344	221	341	188	315
Kids Recreation Fund ^b	221	290	307	481	367	509	378	568
Healthy Families Yukon	138	152	120	154	127	158	145	165

^a Programs with no available data are not listed.

^b The number of children benefiting from the Kid's Recreation Fund reflects the actual numbers rather than numbers based on funding formula.

Northwest Territories

The NCB initiative assumes a major role in the collective fight against child poverty in Canada. The flexibility of the NCB program has enabled the Government of the Northwest Territories (GNWT) to develop three specific programs that proactively challenge child poverty and encourage employment attachment for parents.

In the Northwest Territories (NWT), the NCB Supplement is deducted from income assistance entitlement, and reinvested in three programs for low income families. The Government of the Northwest Territories provides added value to these reinvestment programs through additional funding. To reduce duplication and streamline efficiency, the Canada Revenue Agency delivers the NWT programs as an integrated payment with federal child benefits.

Northwest Territories reinvestments and investments include:

Northwest Territories Child Benefit (NWTCB) – This cash benefit provides a maximum of \$330 annually per child for families with income of \$20,921 or less in the previous year.

Territorial Workers' Supplement (TWS) –

This supplement is paid to families with working incomes over \$3,750. This supplement is phased in so that the maximum benefit becomes available when working incomes reach \$10,000 annually.

Note: The NWTCB and TWS are need-determined programs that are based on a family's net income, working income and the number of children under the age of 18 years.

Healthy Children Initiative (HCI) –

The GNWT initiated the HCI in 1998. Since 1998, NCB reinvestment funds and NWT investment funds have been directed to the continued development and expansion of this program. To date, NCB increases/reinvestment funding has been directed to the HCI programs. The HCI enables communities groups across the NWT, to develop and deliver programs that proactively focus on health, learning and cultural development for children six years of age and under. HCI programs to date have included the delivery of healthy snack programs in Early Learning and Child Care Programs, Aboriginal Culture and Language Programs, Family Literacy and the support of training opportunities for early Child Care staff.

Table 35 Northwest Territories: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
NWT Child Benefit/Territorial Workers' Supplement	1,500	1,644	1,443	1,336
Early Childhood/Children-at-Risk Services				
Healthy Children Initiative ^a	419	419	1,768	1,768
Total	1,919	2,063	3,211	3,104

^a Figures include funding from another budget that provides children in the Northwest Territories with programs such as snacks, Aboriginal language and on-the-land camps.

Note: Totals may not add due to rounding.

Table 36 Northwest Territories: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments

NCB Initiatives by Program Name ^a	2004–2005		2005–2006		2006–2007		2007–2008	
	Families	Children	Families	Children	Families	Children	Families	Children
	#	#	#	#	#	#	#	#
NWT Child Benefit	2,300	4,300	2,331	4,441	2,200	4,191	1,893	3,605

^a Programs with no available data are not listed.

Nunavut

The Government of Nunavut's Pinasuaqtavut mandate continues to focus on the commitment to building Nunavut's future by improving the well-being, prosperity and self-reliance of Nunavummiut. Nunavut's NCB initiatives correspond to the Inuit principle of Pijitsirniq (providing for families and the community) by helping to prevent and reduce the depth of child poverty and by assisting low-income families with the costs associated with raising children. The NCB also provides an incentive for parents to (re)join the workforce, consistent with the government's interest in encouraging economic self-reliance.

The Government of Nunavut offsets the NCB Supplement as income from income support payments and reinvests the funds in the Nunavut Child Benefit (NUCB) and the Territorial Workers' Supplement (TWS).

Nunavut's reinvestment and investments include:

Nunavut Child Benefit (NUCB) – This is the primary reinvestment program in Nunavut which is funded using monies from the recovery of social assistance payments

in the territory. The NUCB is a tax-free payment given to qualifying families with children under the age of 18 living at home. To reduce duplication and streamline efficiency, the Canada Revenue Agency delivers the Nunavut Child Benefit as an integrated payment with the CCTB and the NCB Supplement. The NUCB is a benefit paid to all families with a net income of \$20,921 or less in the previous year. Families receive \$27.50 per month or \$330 annually for each eligible child under the age of 18 living at home.

Territorial Workers' Supplement (TWS) –

Families who have earned income of more than \$3,750 in the previous year may also receive the Territorial Workers' Supplement. This is an additional benefit for working families with children under the age of 18 living at home. Nunavut uses recovered funds from social assistance payments to provide the Territorial Workers' Supplement for working parents, and Canada Revenue Agency delivers this benefit as an integrated payment with the CCTB and the NCB Supplement. Eligible families may receive up to \$275 annually for the first child and an additional \$75 per year for the second.

Table 37 Nunavut: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
Nunavut Child Benefit/Territorial Workers' Supplement	2,775	2,679	3,058	3,409
Total	2,775	2,679	3,058	3,409

Table 38**Nunavut: Estimated Number of Families and Children Benefiting under NCB Reinvestments and Investments**

NCB Initiatives by Program Name	2004–2005		2005–2006		2006–2007		2007–2008	
	Families #	Children #	Families #	Children #	Families #	Children #	Families #	Children #
Nunavut Child Benefit/ Territorial Workers' Supplement	2,810	6,414	2,717	6,338	2,679	6,036	2,653	6,099

First Nations

The purpose of the First Nations NCBR Initiative is to reduce the effects of child poverty by funding programs and services that will provide for the otherwise-unmet physical and social needs of children in reserve communities. Specifically, the initiative aims to foster the growth of children in low-income families into self-sufficient, contributing members of their communities.

Of the more than six hundred First Nations in Canada, the number that have used reinvestment funding to expand the range of services to low-income families and their children is in excess of four hundred. First Nations that are not included in departmental reinvestment reports include Atlantic, Ontario, Alberta, and British Columbia bands that fall under multi-year funding agreements; self-governing Yukon bands; and bands in Newfoundland and Labrador.

Reinvestments are categorized under five activity areas:

Child Care – These projects are intended to create more spaces in day-care centres for children of low-income families. There is particular emphasis on accommodating children of parents who are working or undertaking training or educational upgrading to improve their opportunities for employment. The reinvestment funds may also be used to subsidize child-care costs for working/in-training parents, although no direct subsidies may be granted to parents.

Child Nutrition – These programs are intended to improve the health and well-being of children by providing breakfast, lunch, or snacks in school, by educating parents about the nutritional needs of children and meal preparation, or by delivering food hampers to homes of low-income families.

Support to Parents – These programs are designed to equip and support parents by giving their children a sound start in life. Projects may include drop-in centres for parents or training in parenting skills.

Home-to-Work Transition –

These programs are directed at improving the prospects of employment for parents and youth. These include employment and skills development, and summer work projects for youth.

Cultural Enrichment – In this category are projects such as the teaching of traditional culture (e.g., language, art, music, storytelling), support projects for youth, celebrations, peer support groups, family and community supports such as life skills, financial management training, and other group activities that bring together community elders, children, and youth.

Table 39 First Nations: NCB Reinvestments and Investments

Activity Area	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates ^a (\$000)
Child Care	2,323	3,246	3,228	n/a
Child Nutrition	12,459	12,762	13,561	n/a
Support to Parents	4,995	12,584	7,533	n/a
Home-to-Work Transition	17,509	17,103	18,934	n/a
Cultural Enrichment	15,462	8,919	7,101	n/a
Additional administrative costs ^b			1,524	
Sub-total	52,748	54,614	51,880	54,606
Additional Investment Envelope ^c	2,379	3,434	780	240
Total	55,127	58,048	52,660	54,846

^a A breakdown of 2007–2008 estimates is not available.

^b The Saskatchewan region did not include administrative costs in activity areas.

^c The additional investment envelope includes funding to reimburse Saskatchewan and Yukon for the portion of provincial/territorial children's benefits paid on reserve. In 2006–2007, the additional investment envelope for Saskatchewan was phased out due to the restructuring of the provincial child benefit programming.

Notes: 1) n/a indicates the data is not available.
 2) Totals may not add due to rounding.
 3) Indian and Northern Affairs Canada does not fund social assistance in the Northwest Territories and Nunavut. Reinvestments in these areas are not included in this table.

Table 40
**First Nations: Estimated Number of Families and Children on Reserve
by Region, Benefiting under NCB Reinvestments**

Region	2004–2005		2005–2006		2006–2007	
	Families #	Children #	Families #	Children #	Families #	Children #
Atlantic ^a	1,281	2,608	1,087	2,229	872	1,759
Quebec	4,994	10,583	4,333	10,854	4,629	9,452
Ontario ^b	22,960	52,429	28,480	68,701	7,874	16,947
Manitoba ^c	–	–	–	–	–	–
Saskatchewan ^b	85,533	209,520	154,482	346,308	32,973	69,831
Alberta	11,910	23,826	16,503	36,620	23,996	62,132
British Columbia	32,722	59,088	21,355	35,131	19,791	31,208
Yukon ^b	363	1,266	326	1,327	510	985

^a The number of participants in the Atlantic region only includes First Nations in Nova Scotia and Prince Edward Island.

^b In 2006–2007, Ontario, Saskatchewan and Yukon revised the way in which they report families and children.

^c Since January 2004, the Province of Manitoba has paid all children's benefits directly to families. Reinvestment funds are no longer available.

Note: 1) Estimates for 2007–2008 are not available.

2) Indian and Northern Affairs Canada does not fund social assistance in the Northwest Territories and Nunavut.

3) Figures may vary because some bands funded under multi-year agreements and self-government arrangements may not have reported.

4) Numbers may include duplicates, as families/children may benefit from more than one service.

Citizenship and Immigration Canada

Citizenship and Immigration Canada (CIC) is committed to the objectives of the NCB initiative. CIC continues to aid government-assisted refugees by reinvesting income support adjustments into benefits for refugee families and their children.

CIC administers the NCB through its local and regional offices following provincial/territorial social assistance guidelines which helps to maintain a national standard for clients. The funds available as a result of the income support adjustments are reinvested into benefits for refugee families with children.

The Resettlement Assistance Program (RAP) provides newly arrived government-assisted refugees with income support and a range of immediate and essential services. Income support is provided for up to 12 months or until the client has become self-sufficient, whichever comes first, with a maximum of 24 months coverage for certain special needs refugees. Clients who are not self-sufficient at the end of the period of RAP support are entitled to provincial/territorial social assistance.

CIC's other reinvestments and investments include:

Newborn Allowance – This supplement assists government-assisted refugee families with the costs of caring for a newborn.

Children under 6 Years Allowance – This benefit recognizes the additional costs associated with raising young children.

School Start-Up Allowance – This supplement assists government-assisted refugee families with the costs of equipping young children for elementary school.

Monthly School Allowance – This supplement aids government-assisted refugee families with the recurring and on-going costs of their children's education, such as school and gym supplies and registration fees.

NCB Transportation Allowance – This supplement assists government-assisted refugee families with their transportation costs.

Table 41 Citizenship and Immigration Canada: NCB Reinvestments and Investments

	2004–2005	2005–2006	2006–2007	2007–2008
	Expenditures (\$000)	Expenditures (\$000)	Estimates (\$000)	Estimates (\$000)
Child Benefits & Earned Income Supplements				
Newborn Allowance, Children under 6 Allowance, School Start-up Allowance, Monthly School Allowance	799	767	1,022	1,463
Other NCB Programs, Benefits & Services				
NCB Transportation Allowance	1,793	1,688	1,066	969
Total	2,592	2,455	2,088	2,432

Note: Totals may not add due to rounding.

Results of the Survey of Labour and Income Dynamics (SLID) Analysis

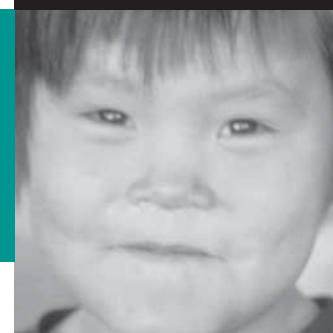


Table 42

Change in Incidence of Low Income Among Families by Family Type Due to the NCB: January 2005 to December 2005

SLID 2005	One-Parent Families	Two-Parent Families	All Families ^a
MBM^b			
Decline in Number of Children Living in Low Income	53,300	116,500	171,100
Decline in Number of Families Living in Low Income	28,300	49,400	78,800
Percentage Change in Number of Families Living in Low Income	-10.7%	-16.0%	-13.7%
Decline in Incidence of Low Income Among Families with Children ^c	-3.6%	-1.6%	-2.1%
Post-Tax LICO^b			
Decline in Number of Children Living in Low Income	70,400	74,100	144,500
Decline in Number of Families Living in Low Income	37,900	29,600	67,500
Percentage Change in Number of Families Living in Low Income	-16.7%	-12.9%	-14.7%
Decline in Incidence of Low Income Among Families with Children ^c	-4.9%	-1.0%	-1.8%
Post-Tax LIM^b			
Decline in Number of Children Living in Low Income	49,500	105,000	154,500
Decline in Number of Families Living in Low Income	26,500	43,800	70,300
Percentage Change in Number of Families Living in Low Income	-10.5%	-16.6%	-13.5%
Decline in Incidence of Low Income Among Families with Children ^c	-3.4%	-1.4%	-1.8%

^a The "All Families" group includes one-parent, two-parent and other family types (e.g., children in foster care). As children in other families do not fall in the category of one or two-parent families, the total in "All Families" does not equal the sum.

^b The direct impact of the NCB on the incidence of low income and disposable income is dependent on the measure of low income used in the simulation analysis. This Appendix uses three different measures of low income: post-tax LICOs, post-tax LIMs and the MBM. As these three measures are calculated with differing methodologies, it may be difficult to directly compare simulation results from each measure.

^c Decline in incidence of low income is expressed in percentage points.

Source: Based on Statistics Canada Special Tabulations from the *Survey of Labour and Income Dynamics (SLID) 2005*.

Table 43

Changes in Disposable Incomes Due to the NCB Among Families with Children by Family Type: January 2005 to December 2005

SLID 2005	One-Parent Families	Two-Parent Families	All Families
MBM			
Were Prevented from Living in Low Income in 2005			
Increase in Disposable Income due to NCB	\$2,100	\$2,700	\$2,400
Percentage Increase in Income	9.4%	9.6%	9.5%
Remained Living in Low Income in 2005			
Increase in Disposable Income due to NCB	\$1,700	\$2,000	\$1,900
Percentage Increase in Income	10.9%	10.6%	10.7%
Other Families with Children who Received NCB Supplement in 2005			
Increase in Disposable Income due to NCB	\$1,200	\$1,100	\$1,100
Percentage Increase in Income	3.1%	2.7%	2.9%
Post-Tax LICOs			
Were Prevented from Living in Low Income in 2005			
Increase in Disposable Income due to NCB	\$2,300	\$3,000	\$2,600
Percentage Increase in Income	10.0%	10.0%	10.0%
Remained Living in Low Income in 2005			
Increase in Disposable Income due to NCB	\$1,700	\$2,200	\$1,900
Percentage Increase in Income	11.1%	11.3%	11.2%
Other Families with Children who Received NCB Supplement in 2005			
Increase in Disposable Income due to NCB	\$1,200	\$1,200	\$1,200
Percentage Increase in Income	3.0%	3.0%	3.0%
Post-Tax LIM			
Were Prevented from Living in Low Income in 2005			
Increase in Disposable Income due to NCB	\$2,500	\$2,900	\$2,800
Percentage Increase in Income	10.2%	9.8%	9.9%
Remained Living in Low Income in 2005			
Increase in Disposable Income due to NCB	\$1,700	\$2,100	\$1,900
Percentage Increase in Income	10.7%	10.9%	10.8%
Other Families with Children who Received NCB Supplement in 2005			
Increase in Disposable Income due to NCB	\$1,200	\$1,100	\$1,100
Percentage Increase in Income	2.7%	2.6%	2.7%

Source: Based on Statistics Canada Special Tabulations from the *Survey of Labour and Income Dynamics (SLID) 2005*.

Table 44**Change in Incidence of Low Income Among Families by Family Type
Due to the NCB: January 2005 to December 2005**

SLID 2005	One-Parent Families	Two-Parent Families	All Families
MBM			
Decline in Low Income Gap (\$ millions)	\$420	\$590	\$1,010
Percentage Change in the Low Income Gap	-21.1%	-20.0%	-20.4%
Post-Tax LICOs			
Decline in Low Income Gap (\$ millions)	\$370	\$470	\$840
Percentage Change in the Low Income Gap	-22.1%	-20.1%	-20.9%
Post-Tax LIM			
Decline in Low Income Gap (\$ millions)	\$420	\$530	\$950
Percentage Change in the Low Income Gap	-20.2%	-20.7%	-20.5%

Source: Based on Statistics Canada Special Tabulations from the *Survey of Labour and Income Dynamics (SLID) 2005*.

Additional Statistical Information



These additional statistical tables supplement the information contained in this report. They provide information on low income and labour market participation trends and are on the NCB website at: www.nationalchildbenefit.ca/eng/home.shtml (available in HTML).

Table 1a

Post-tax LICOs – Income thresholds, by family size and community size, 2005

Table 1b

Pre-tax LICOs – Income thresholds, by family size and community size, 2005

Table 1c

Post-tax LIM – Income thresholds, by family size and composition, 2005

Table 2

LICOs & LIM – Number and percentage of families with children under 18 below the low-income thresholds, by family type, Canada 1984 to 2005

Table 2a

LICOs & LIM – Number and percentage of children under 18 below the low-income thresholds, by family type, Canada 1984 to 2005

Table 3a

Post-tax LICOs – Percentage by which family income is below or above the low-income thresholds, by family type, Canada, 1984 to 2005

Table 3b

Pre-tax LICOs – Percentage by which family income is below or above the low-income thresholds, by family type, Canada, 1984 to 2005

Table 3c

Post-tax LIM – Percentage by which family income is below or above the low-income thresholds, by family type, Canada 1984 to 2005

Table 4

LICOs & LIM – Average market income of low-income families with children under 18 as a percentage of the low-income thresholds, by family type, Canada, 1984 to 2005

Table 5

LICOs & LIM – Percentage of low-income families with children under 18 employed for pay during the year, by family type, Canada, 1984 to 2005

Table 6

Estimated number of families with children under 18 receiving social assistance, by family type, Canada, March of each year, 1987 to 2005

Table 7

Federal expenditures on CCTB benefits (the NCB Supplement and the CCTB base benefit) for NCB Supplement recipients, by province/territory, July 2006 to June 2007

Table 8

Federal expenditures on CCTB benefits (the NCB Supplement and the CCTB base benefit) for CCTB base benefit recipients, by province/territory, July 2006 to June 2007

